

AVIA
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Je Reviens

The
essence
of feminine
elegance



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NEWS SUMMARY

GENERAL

Knifings bring walkout on Tube

Walkouts were called on large sections of London's Underground network last night and tonight in protest against violence against staff and passengers.

The unofficial call came from National Union of Railwaymen members hours after a youth of 16 was stabbed and seriously injured and a ticket collector slashed in the throat at Northern Line stations. Staff say those attacks and earlier ones make every station a potential hazard.

Staff were urged to leave their jobs at 10 pm last night and tonight at all District Line stations between Whitechapel and Oldminster Bridge and the whole East London section between Whitechapel and New Cross.

Police hunt for gunmen

Armed police combed the Norfolk Broads near Lowestoft for an "extremely dangerous" teenager who tried to shoot two policemen in a motel. Earlier two youths fired four shots, clubbed one officer unconscious, left another beaten and bleeding and locked two more in a bathroom at a point.

The police were questioning the youths about a suspicious car outside the motel. Later a car was found abandoned and another crashed and a 17-year-old youth was detained for questioning.

Israel snubs U.S.

Israel has rejected a U.S. proposal for a new Security Council resolution recognising Palestinian rights. Robert Strauss, President Carter's special envoy to the Middle East, was detained in Jerusalem. Back Page

Seamen freed

A Soviet court found two British seamen guilty of "malicious hooliganism" but freed them on an 8-month suspended sentence. Martin Shipley, 17, and Stephen Thomas, 18, were accused of assaulting a woman in the Black Sea port of Batumi in July.

Bokassa aid cut

France has suspended all aid except food, health and education assistance to the Central African Empire. The move comes after an African legal commission supported allegations that Emperor Bokassa had ordered and taken part in the massacre of children. Page 2

Liberals expelled

The Welsh Liberal Party expelled its Cardiff South East branch for supporting the Conservative candidate in the general election in an attempt to oust Mr. James Callaghan, the sitting MP. Page 3

Minister to wed

One of Rhodesia's most outspoken ministers, Pieter Van Der Byl, 55, is to marry Princess Charlotte of Liechtenstein on August 31 in Austria, his aides said. The princess, 20, is the grand-daughter of the last Austro-Hungarian emperor.

18 beheaded

Iran accused Kurdish rebels of beheading 18 people in the embattled border town of Paveh. In Tehran more than half a million Iranians joined a procession to show solidarity with the Palestinians. Page 2

Hospital deaths

Three women have died after an outbreak of salmonella poisoning at Clifton Hospital, York.

Briefly . . .

Afghanistan's military attaché in New Delhi, Col. Mohammad Sarwar left his post and sought asylum in Pakistan.

Police and troops mounted dawn raids on Sinn Fein offices in West Belfast.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

	(£15 pd.)	
Asoc. Leisure	109 + 24	
Daventry	101 + 9	
Ewart New Northern	60 + 5	
Jesson (M. J.)	40 + 4	
May and Hassell	38 + 5	
Oliver (G. A.)	95 + 6	
Vosper	202 + 12	
Doyle-American Coal	925 + 75	
Douglas	311 + 14	
Hampton Areas	230 + 6	
Union Corp.	357 + 10	
Welcom	311 + 19	
FALLS	SEET	
Treasury 111pc	93/7	
Trusthouse Forte	145 - 6	
Shell Transport	326 - 6	

BUSINESS

Equities ease; Pound slips

• EQUITIES eased ahead of the July trade figures next week and the FT ordinary index closed 5.5 down at 473.2, making an overall gain of 4.2 on the week.

The retail prices index rose by 4.3 per cent in the month to mid-July to 229.1 (January, 1974 = 100). This is fractionally higher than the rise after the spring, 1975, Budget.

About 75 per cent of the increase was the direct result of the June Budget increases in Value Added Tax, tobacco and petrol duties and prescription charges.

The result is that the 12-month rate of retail price inflation accelerated to 15.6 per cent last month compared with 11.4 per cent previously.

The new Tax and Price Index rose by 13.2 per cent in the month to July. The difference between this and the increase in retail prices is explained by the reduction in income tax over the period. Both indices will appear on the same day each month.

The new index reflects changes in both prices and taxes and measures the increase in gross income (before tax) needed to maintain take-home pay in real (inflation adjusted) terms.

• GIILTS slipped, and the Government Securities index fell 0.33 to 73.64.

• STERLING lost ground and closed 40 points down at \$2.2189. Its trade-weighted index fell to 70.7 (19.0) and the dollar's rose slightly to \$4.7 (34.5).

• GOLD rose \$12 to \$2994 in London.

• WALL STREET was 0.77 up to \$84.81 just before the close.

• GROSS DOMESTIC PRODUCT rose by nearly 3 per cent between April and June compared with the previous three months, representing a recovery from the low levels of activity during the winter, according to Government statistics. Back Page

• ABBEY NATIONAL, one of the UK's major building societies, is in "advanced negotiations" with a local council over plans to establish its own housing association, which would allow Abbey to finance housebuilding directly. Page 2

• DUNBEE-Combex-Marx, the toy manufacturer, is sending shareholders a new set of 1978 accounts because of errors that appeared in the original version which were discovered during a review of audit working papers. Back Page

• PRESIDENT CARTER has lifted price controls on heavy crude oil in an effort to encourage oil companies to extract the deposits in the west and south of the U.S. Back Page

• TEXAN oilwell fire and blow-out expert Mr. Red Adair, has said that safety standards in the North Sea are probably higher than in the U.S. Page 2

• NORTH SEA catering workers have ended their three-week strike and following an agreement which includes an improved pay offer and the introduction of life insurance cover, workers are returning to offshore oil rigs to resume normal duties. Page 3

• ANTY-TRUST suit has been filed in the U.S. against the proposed acquisition by Merck of Alginate Industries of the UK, the world's leading producer of Alginate, an extract of seaweed.

• COMPANIES

• CORAL LEISURE Group pre-tax profits for the six months to June 30 fell from £7.14m to £5.85m on sales up from £136m to £155m. Page 16 and Lex.

• BROKEN HILL Proprietary Australia's largest industrial group, plans to raise almost £413.5m (£151m), through a rights issue to finance further developments and investment on.

• SPILLERS, the second biggest British flour miller, is raising its prices by an average 8 per cent—or £16 a tonne—from September 3. Page 3

• ALCAN (UK) pre-tax profits for the first half of 1979 fell from £5.1m to £3.6m in spite of sales up from £136m to £149.3m. Page 16 and Lex.

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As index showing effects of tax cuts is launched . . .

Retail prices rise by record 4.3% on Budget increases

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The Government yesterday attempted to counter the impact of a record rise in retail prices last month with the announcement of new index designed to show the effect of income tax cuts.

The retail prices index rose by 4.3 per cent in the month to mid-July to 229.1 (January, 1974 = 100). This is fractionally higher than the rise after the spring, 1975, Budget.

About 75 per cent of the increase was the direct result of the June Budget increases in Value Added Tax, tobacco and petrol duties and prescription charges.

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The new index reflects changes in both prices and taxes and measures the increase in gross income (before tax) needed to maintain take-home pay in real (inflation adjusted) terms.

Mr. Nigel Lawson, Financial Secretary to the Treasury, claimed the index gives a "better indication of changes in total household costs than the retail prices index does on its own."

Mr. Lawson argued that yesterday's figures showed that "the tax cuts in the Budget wholly offset the combined effect of the increase in VAT and the sharp increase in crude oil prices have largely cancelled each other out."

This point was disputed by

Mr. John Ray, the director of

Financial Services Research

research at the independent Institute for Fiscal Studies which has produced a similar indicator. He said the official index was presented in a manner designed to put the effect of the Budget changes in the most favourable light, largely because of the timing of tax changes.

A comparison of the new index with the increase in average earnings suggests that the growth of real incomes is slowing substantially.

The 12-month rate of retail price inflation may only edge up gradually from now, before possibly falling back in 1980 following the recent bunching of prices rises.

The Treasury forecast in mid-June that the 12-month rate would rise to 17.1 per cent by December and this view still stands as the rise in sterling and the sharp increase in crude oil prices have largely cancelled each other out.

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OVERSEAS NEWS

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BY QUENTIN PEEL IN JOHANNESBURG

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The change in attitude is in part a response to the willingness of the Government of Bishop Abel Muzorewa to attend the talks. It also represents a recognition that the first reaction of Mr. P. Botha, the South African Foreign Minister—that the Lusaka agreement was "deeply disturbing"—might have been too harsh. Finally there is a continuing desire on the part of the Pretoria regime to stay on good terms with the new Conservative Government in

London.

Officials in Pretoria say the South African response was supposed to be "cautiously negative". Mr. Botha has repeated that he was disappointed with the attitude of Mrs. Thatcher in Lusaka, but he also stressed that the response was up to Bishop Muzorewa's Government: "I don't want to make that task more onerous," he told a National Party congress in Durban.

The negative reaction still underlies the caution now shown by Pretoria. It is a reflection of the growing South African commitment to Bishop Muzorewa's Government, in tandem with the growing desire to press ahead with an internal

rather than international solution in neighbouring Namibia (South West Africa).

Although South Africa has no direct role to play in the initiative, its attitude is still likely to be critical in determining the response of both Bishop Muzorewa and Mr. Ian Smith, because of the substantial material and financial assistance it gives the Salisbury regime.

South African officials insist that their one desire is to have a stable regime on their borders. As such they are concerned that Bishop Muzorewa should not allow too great a dilution of the security forces by guerrillas, nor any final scrapping of white minority guarantees.

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gime on its borders is more restrictive than that of the British Government: it would tend, as a matter of principle, to exclude any Marxist-inclined government.

Michael Holman adds from Lusaka: Mr. Joshua Nkomo and Mr. Robert Mugabe, co-leaders of the Patriotic Front, are expected to announce their acceptance of Britain's invitation to next month's Rhodesia constitutional conference when they meet in the Tanzanian capital of Dar-es-Salaam today. But nationalist officials here say that there will be no ceasefire before the London talks.

The two men are also expected to hold talks with President Julius Nyerere of Tanzania, Chairman of the

Front Line States. Dr. Nyerere, who played a key role in framing the Commonwealth Conference statement on Rhodesia, briefed senior officials of both wings of the front during the conference.

This weekend he is expected to repeat the Front Line belief that Britain's outline of constitutional proposals released earlier in the week are an acceptable framework for discussion.

Mr. Mugabe and Mr. Nkomo have repeatedly called for the complete dismantling of the Rhodesian army and its replacement by guerrilla forces. This will certainly be unacceptable to Salisbury and the issue will be one of the major hurdles in London.



Mrs. Indira Gandhi

Gandhi joins attack on British Jaguar deal

By K. K. Sharma in New Delhi

MRS. INDIRA GANDHI, former Indian Prime Minister, yesterday joined the attack on the proposed purchase of the Jaguar fighter aircraft from British Aerospace, saying it would not meet India's requirements.

The £1bn deal was first criticised by Mr. Raj Narayan, chairman of the newly formed Janata (Sewnar) Party, to which Mr. Charan Singh, the Prime Minister, belongs.

The parties are taking up the issue because of the crucial vote of confidence that Mr. Charan Singh is seeking from Parliament on Monday. He is doing this on the direction of President Sanjiva Reddy, who has asked the new Prime Minister to test his majority as soon as possible.

The Jaguar deal was concluded when Mr. Jagjivan Ram, now leader of the Opposition, was the Defence Minister. His critics are implying that Mr. Ram, who poses the biggest challenge to the ruling coalition, was responsible for buying an "inferior" aircraft for the Indian Air Force. Allegations of pay-offs have also been made.

There is no firm indication yet about which way the vote will go. Mr. Charan Singh has, however, made considerable headway in the last couple of days. Mrs. Gandhi's move to join the chorus of criticism that she is also opposed to Mr. Ram and so might throw her considerable weight behind the Prime Minister.

Texan oil expert praises North Sea safeguards

By ELAINE WILLIAMS

MR. RED ADAIR, Texan well-fire and blow-out expert, yesterday said that safety standards in the North Sea were "now probably higher than in the U.S."

However, the problem was training people sufficiently to keep those standards, said Mr. Adair who, in the past, had criticised safety precautions in the North Sea.

Three days ago the huge well-head, owned by the Mexican State oil company Pemex (Petroles Mexicanos), claimed its first fire when a diver was killed.

Mr. Adair is anxious that work be completed well on the drilling of two relief wells to reduce the pressure and stop the oil flow by the second week of September.

He fears that strong north winds which begin in late September could disrupt pumping operations further if the work is not finished soon.

Channel Tunnel study consortium formed

By LYNTON MCALPIN

A CONSORTIUM of construction companies from France, Germany, Holland and Britain has been formed to produce a study of a submerged tube Chunnel tunnel by next spring.

Initial studies by the European Channel Tunnel Group are understood to call for a road and rail tunnel with a three-lane motorway—one for heavy lorries—in each direction.

A single-bore rail-only tunnel proposed by British Rail and the French national railways is being examined by Mr. Norman Fowler, the Transport Minister.

The tube idea would be cheaper only if it, too, were single function.

APPOINTMENTS

Midland Bank post for Lord Cledwyn

Lord Cledwyn has been appointed a regional adviser in MIDLAND BANK with special responsibilities for Wales. As Mr. Cledwyn Hughes he was Labour MP for Anglesey from 1951-79 and Secretary of State for Wales 1966-68 and Minister of Agriculture, Fisheries and Food 1968-70.

Mr. James L. Roberts, vice-president, has been named manager of London branch of HARRIS TRUST AND SAVINGS BANK. He succeeds Mr. Robert E. Vanden Bosch, vice-president, who will be appointed deputy head of the bank's international group. Mr. Vanden Bosch will take over as head of that group on November 15 in place of Mr. Edward K. Barker, senior vice-president, who will then be responsible for the domestic financial group. Mr. Roberts' position as head of the subsidiary Harris Bank International Corporation has been filled by Mr. Robert L. Melo as general manager.

Mr. J. A. Marshall has been appointed a deputy secretary in the NORTHERN IRELAND OFFICE to take effect early in the autumn. He will succeed Mr. E. St. E. Steele, who has become Permanent Under-Secretary in the Northern Ireland Office. Mr. Marshall will take over Mr. Steve's responsibilities as deputy secretary in charge of coordinating the Northern Ireland Office. Mr. Marshall, the Civil Service as a clerical officer in 1959. His service has been mainly at the Treasury where he was promoted to Assistant Secretary in 1963 and to Under-Secretary in 1972 and was loaned to the Cabinet Office from 1974 to 1977 when he joined the Northern Ireland Office.

Mr. Hugh Aldous has joined the Board of FREIGHTLINER. He is a partner in Robson Rhodes where he is in charge of special investigations and management advisory services.

Mr. Joey Starmann has been appointed chairman and Mr. Guillermo Araya, president of AMCI SUDAMERICANA, the company formed by Amalgamated Metal Corporation in Bermuda.

Mr. Paul Whittaker has joined the London broker branch of the ALBANY LIFE ASSURANCE COMPANY at 31 Old Burlington Street, W1, as a broker consultant. He will be dealing with brokers in Kent, Surrey and East Sussex.

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UK NEWS

Abbey National planning to build houses

By ANDREW TAYLOR

ABBEY NATIONAL Building Society is holding "advanced negotiations" with a local council over a plot of land at an advanced stage. A possible site was being considered.

Mr. Rendel said the society wished to fund the association without recourse to government grants and loans under the 1974 Housing Act.

Several other leading building societies also wish to take a more positive role in financing private housebuilding which they have been able to do through mortgage loans only.

"We would hope to see changes in legislation abolishing some of the restrictions on societies preventing them from going into housebuilding," said Mr. Rendel.

Texan oil expert praises North Sea safeguards

By ELAINE WILLIAMS

He returns today to resume work on the Inter-oceanic well in the Mexican Gulf of Campeche. Following a blow-out in June, the well is still leaking 20,000 barrels (20,000 gallons) of oil a day into the sea causing serious pollution.

Three days ago the huge well-head, owned by the Mexican State oil company Pemex (Petroles Mexicanos), claimed its first fire when a diver was killed.

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Channel Tunnel study consortium formed

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The group, in outline, was formed a year ago with Britain's Costain Civil Engineering and the Anglo-Dutch Royal Boskalis Westminster Group helping to back a project based on designs from Imperial College, London, and University College, Swansea.

The small consortium has been joined by the Spie Batignolles construction company from France and the Badische Holzmann construction company from Germany.

The submerged tube project is one of several ideas, including a bridge, being monitored by the European Commission in its study of the EEC's transport infrastructure.

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UK NEWS

Spillers raises flour prices by 8%

BY CHRISTINE MOIR

SPILLERS, THE second biggest flour miller in the country, is increasing its prices by an average 8 per cent or £16 per tonne from September 3.

It has already warned its two biggest customers, Rank Hovis McDougal and Associated British Foods, both major millers in their own right, of the increases.

The rise, which has been brought forward from the autumn, is particularly timely because Spillers is contesting a surprise £78.6m takeover bid from Dalgety, the international agricultural and food merchanting group.

Spillers claims to have 28 per cent of the flour market, and profits from milling now probably account for considerably more than half of group profits after the rescue operation last year when the company closed or sold parts of its loss-making bakery business.

Profit margins on flour had been good until the beginning of this year, but since there have been two devaluations of the green pound which has affected wheat prices and wages have also risen.

Mr Michael Vernon, chairman of Spillers, admitted a few days ago that profits would be depressed in the first half of the year as a result. This caused analysts to downgrade forecasts of full year profits of

£20m compared with £14.7m last year when the last remnants of the banking losses were still being borne.

The increase—the first in 17 months—will produce “a revenue recovery on a full year basis of several million pounds,” the company says.

It will, however, have an effect only on the second half and in any case will not fully restore margins to the level of the end of last year.

The company says that the increase goes only part-way to recovering costs borne since the last rise and “the situation will have to be reviewed later in the year when the results of the harvest are known.”

Auriol chairman fights resignation moves

BY ANDREW TAYLOR

MR MICHAEL CAHILL is to fight action to remove him as chairman of Auriol Housing Foundation which was criticised by the Housing Corporation this week for alleged mismanagement.

In a letter to Mr Cahill, the corporation has asked him to resign and has threatened to use statutory powers to remove him if necessary.

Mr Cahill said yesterday that he would not resign. He strenuously denied any suggestion of mismanagement by himself or the staff of Auriol.

“We are now deciding on our next move and I would hope to be able to make a further statement shortly,” said Mr Cahill.

The Housing Corporation, which administers and controls the purse strings of the voluntary housing association, has said it will continue to block new funds for Auriol until a major restructuring of management is carried out.

The Corporation has also said it will use its powers to appoint

five new members to the Auriol management committee.

Mr Cahill said yesterday: “There is no question of mismanagement. This is a disagreement over the best way of running an association.”

“We believe that number of our procedures are more efficient than those of other associations although these are contrary to the way the corporation believes things ought to be done. We have been lobbying the corporation for several years for some of our systems to be adopted generally by housing associations.”

“We have regularly achieved a surplus on our operations unlike a number of other associations which have had to apply for revenue deficit grants.”

Mr Cahill said that Auriol operates with a staff of only 13—compared with a minimum of 50 at other similar size associations—and that the corporation had been trying for some time to persuade Auriol to increase its staff.

The corporation has itself been embarrassed by the further publication of criticisms, muddles, mismanagement and an “unacceptable level of mistakes” made by some of its senior officers in an internal document produced late last year.

The report, which referred to a crisis of morale, noted that senior officers had been told to monitor the accounts of “easy associations” rather than more complicated ones.

The corporation said yesterday: “This report is now more than six months old and some of the problems identified have now been corrected.”

The corporation and the housing association movement have been strongly criticised by the House of Commons Public Accounts Committee for failing to vet and monitor accounts adequately. The corporation had earlier announced a £5.2m deficit in its 1977-78 accounts.

By Elaine Williams

A NEW PLAN for the long-term supply of coal for electricity generation is likely later this year.

Talks have been going on for several months between officials of the National Coal Board and the Central Electricity Generating Board.

However, the final meetings scheduled later this month could lead to a draft agreement which would give the NCB more security of demand to enable it to plan its huge expansion and investment scheme.

The NCB would like the CECB to hold a higher level of the CECB to prevent massive fluctuation of several million tonnes of coal which has happened in the past.

The NCB says that higher stocks are justified because the CECB has had to reduce its oil consumption.

East Kilbride, one of the first new towns to be designed, was created in 1947, and has been one of the most successful. Its purpose was to rehouse and find jobs for people essentially from Glasgow and north Lanarkshire, which had been badly hit by the war and the inter-war depression.

Only 20 of the participating countries are from the Commonwealth. The other eight are Egypt, Finland, France, Indonesia, Japan, Netherlands, the Philippines and the U.S.

Commonwealth new town talks

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

TWENTY-EIGHT countries will be represented at a Commonwealth New Towns Conference in East Kilbride, near Glasgow, in September. Uganda is the latest country to commit itself to the five-day meeting which will be attended by more than 170 delegates.

Only 20 of the participating countries are from the Commonwealth. The other eight are Egypt, Finland, France, Indonesia, Japan, Netherlands, the Philippines and the U.S.

The idea of a new town has attracted considerable attention around the world. Some 32 have been designated in the UK since the passing of the 1946 New Towns Act.

The conference is being organised by East Kilbride Development Corporation in conjunction with the Commonwealth Foundation. Mr George Young, the corporation's managing director, has said “the conference is drawing together Commonwealth expertise in a

critical examination of new community developments to benefit individual countries' future approach to new development projects.”

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By Rhys David

Vauxhall plant chief warns workforce over productivity

BY RHYS DAVID

EMPLOYEES AT Vauxhall's Ellesmere Port plant, Cheshire, have been warned that falling productivity standards must be raised if the factory is to secure its share of General Motors' European expansion plans.

The warning came in a message from Mr Don Vallance, plant manager, on the resumption of work this week following the summer shutdown.

Mr Vallance, who was drafted to Ellesmere Port by General Motors last year to raise output, said progress in the early months of this year towards the target output of 100,000 units a year had recently been reversed.

He criticised pessimism among some of the plant's 10,000 employees. “Doubts have

been expressed about Ellesmere Port's future and many employees are clearly worried about medium to long term prospects. There is a great future for all of us here provided we can meet the continuous demand for our products.”

He also expressed concern over a growing incidence of industrial disputes falling outside procedure, which he said were preventing the factory from producing on time and in sufficient quantity.

• The increased penetration of imported vehicles into the UK market cost ICI's Mond division £5m in sales in the first half of 1979, an estimated £10 per imported car.

• At Chrysler UK's Linwood

car plant, another 1,500 workers were told yesterday not to report for work on Monday, bringing the total laid off this week to 5,000. Only about 1,500 remain at work.

• A union bid to end the “toggling up” strike which has hit production at four BL car plants in the Midlands was launched yesterday. Exemption from a national overtime ban is being planned for the 120 strikers, to get them and more than 6,000 others laid off by the dispute back to work early next week.

• At Vauxhall's Luton plant, production of Carlton and Cavalier cars with an estimated £300,000 was lost following a dispute involving internal drivers.

A STRIKE at GEC's power engineering complex in Stafford has entered its third week with little prospect of an immediate return to work.

The 1,800 hourly-paid workers, who want an overall 20 per cent wage increase, have been picketing the company since the beginning of the month.

Management wants the claims dealt with on a divisional basis. The site houses 11 product companies.

At the beginning of the week, the group registered a formal “failure to agree.” It is seeking individual company agreements and has refused to continue to recognise the joint shop stewards' negotiating committee.

The next stage, normally, is for a meeting with union officials in Birmingham, but management and unions have failed to meet.

Workers at GEC Turbine Generators, one of the largest companies on the site, have been

warned that if the strike continues, jobs will be in jeopardy. The unions say that the strikers are determined to continue their action.

Former chaplain to Queen dies

THE Bishop of Sheffield, the Right Reverend Gordon Fallows, died yesterday. He was aged 66.

Mr Fallows announced in May that he would retire at the end of this year because he was suffering from Parkinson's disease and cancer. He was Bishop of Sheffield from 1971 and had served as Clerk of the Closet to the Queen, the chief appointment in the Queen's ecclesiastical household. In 1968 he became Bishop Suffragan of Pontefract. He had been a parish priest for 23 years.

That would pose special problems as the responsibility for maintenance.

Other problems would arise if a tenant wanted to move. It would have to be decided whether the council would want or would have the resources to buy out the tenants' share, said Mr Bradley.

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Housing plan criticised

THE Association of Metropolitan Authorities has expressed concern over the Government's plans to offer shared ownership to council house tenants.

Mr John Bradley, the association's chairman, said in a letter to Mr John Stanley, Environment Under-Secretary, that while he welcomed many of the changes proposed he would not like to see the statutory right to buy extended to shared ownership without very detailed examination of all the implications.

That would pose special problems as the responsibility for maintenance.

Other problems would arise if a tenant wanted to move. It would have to be decided whether the council would want or would have the resources to buy out the tenants' share, said Mr Bradley.

The initial pay claim was £600 a month against an offer of £440.

Times SOGAT branch settles

TIMES NEWSPAPERS said yesterday it had secured full operating agreement with another branch of the Society of Graphical and Operative Trades, leaving only one SOGAT branch to settle.

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THE WEEK IN THE MARKETS

Swallowing a surfeit of stock

Once again the gilt-edged market and its remarkable capacity for swallowing new issues have held the centre of the stage. Equities, although occasionally faltering, have continued their modest recovery.

At the end of last week it looked as though gilt-edged were in for a fairly drastic bout of indisposition. The recall of specific deposits by the Bank of England on Monday guaranteed a light money market for a couple of days; institutional liquidity is run down and there was a new tap stock—Exchequer 11½ per cent 1984—to absorb demand. But the market showed extraordinary resilience.

Enough of the new stock was sold on subscription on Wednesday for the rasher elements in the market to be tempted to try to buy out the remainder the following day. But the Government Broker kept his prices relatively high, and though a further substantial slice was sold at a premium, there is still some stock in official hands.

Had the tags succeeded in buying out the tap, gilts would have moved ahead sharply. But as they failed, the market lost some ground, and the disappointing retail price figures yesterday morning—investors were ready for 3½ per cent but not 4½ per cent—brought some selling of sterling and made matters worse for gilts. The buying of equities, which had been taking a lead from gilt-

edged, fell off and the FT 30-share index relapsed after having gone above 480 at one stage on Thursday.

FIFO financing

Forced by UK fiscal regulations to adopt the First-in First-out (FIFO) method of inventory accounting, Shell may be finding it difficult to respond to OPEC countries' criticisms of high oil company profits. In the half year to June 30, the Royal Dutch/Shell Group of companies produced net income of £1.3bn against £949m.

If an advance on this scale was enough to make an oil sheik blanch, Shell was at pains to point out during the week that stock profits and, to a lesser extent, currency trans-

LONDON ONLOOKER

lation gains, were entirely responsible.

Most international oil companies, with the exception of British Petroleum, use the Last-in First-out method of inventory accounting (LIFO) which means they are refining and selling oil purchased at the latest available price. Shell, however, sells oil which has been in stock for the longest duration and, in an era of sharply rising prices, this inevitably produces a significant stock profit.

Stock profits at the interim stage, Shell calculates, amounted to £400m, of which some £280m fell in the second quarter. In addition, currency translation gains totalled £134m and £57m of that gain accrued in the April-June period. So the real rate of improvement at the halfway mark was only 23 per cent and, at around £375m, net income in the second quarter was some £50m down on first quarter levels.

One hopes that this message has been received by OPEC members for the oil company

needs to build up supplies. Stocks have run down to the minimum safe operating level of 71 days and the group needs a further 20m barrels to return to the level of inventories held at this time last year.

Capital spending in the first half of 1979 amounted to £1bn and a further £900m was invested in necessary increases in working capital.

Stalking Spillers

It has been a hard week for Mr. David Donne and Mr. Andrew Turner, chairman and chief executive of Dalgety. Their recently acquired subsidiary in the U.S., Modern Maid, would benefit from a closer association with Dalgety's existing food production and distribution interests in North America.

So far so good. But the big uncertainty concerns Spillers' flour milling operations, which is far and away its most important activity. Yesterday's flour price increase does not make any difference to the long-term outlook for this activity which is, at best, uncertain. Highly profitable in recent years, the returns in this keenly competitive business are likely to be much lower in the future, especially now that Spillers has pulled out of its loss-making bread side.

The bid arguments are going to revolve around the future of Spillers' milling business. Meanwhile, Dalgety is keeping its head down—and Spillers shareholders should take no action.

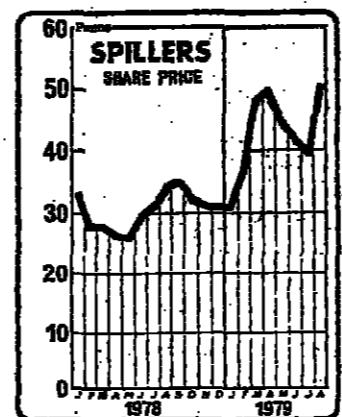
Tube tumbles

Shareholders could not have been pleased at the decline in pre-tax profits at Tube Investments, announced this week. The drop by one fifth from the first half in 1978, from £37.9m to £30.4m, resulted from a variety of problems, domestic and foreign.

The group's first quarter profits were much lower than last year's, partly because of the road haulage strike and harsh winter weather problems. But Mr. Donne points out, Dalgety has a rather good record when it comes to take-overs. In the past decade, it purchases in the UK have taken it into many animal feeds chemicals and other areas just about all the companies it

has bought have flourished, and profits in the UK have been built up from nothing to over £12m over the period.

In the U.S. it has had some problems with one of its purchases. But, according to Mr. Donne, the group has now paid off its entry fee and is soundly



On a rising note

FOR THE moment the eyes have it. On Wednesday the Dow Jones Industrial Average set a new peak for the year on trading volume which was the highest since last November. The Transportation and Utility Averages moved in unison and recorded their best performance while the secondary stocks have maintained their bull market which got underway last year. The American Stock Exchange Composite Index's close on Wednesday of 208.11 was the 30th time it had established a new record this year. Over the counter stocks as measured by the NASDAQ averages were also at a new high and the NASDAQ composite was 24 per cent higher than its 1978 close.

Despite the volume figures, however, Merrill Lynch analysts believe that the assumption that the major institutions have stepped up their purchasing, is wrong. The explanation then was a crisis of confidence in the Presidency, a dangerous dollar, rising inflation and climbing short-term interest rates.

The external picture now is only marginally better, with historically high inflation and high short-term rates front-line negative factors. But Merrill Lynch's stock analysts, who use a variety of tools to measure investors' sentiment, believe that the current rally is a correction of an unusually high pessimism which could be discerned only three or four weeks ago.

Merrill believes that prices will go still higher before falling back later in the year. They increase in its stride, largely brought by the combination of lower margins, a stronger pound and flat volume is less than in

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JOHN WYLES
NEW YORK

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CLOSING PRICES

Day	Close	Change
Monday	872.71	+1.26
Tuesday	872.71	+1.26
Wednesday	873.00	+0.13
Thursday	874.00	+1.00

LETRASET INTERNATIONAL is cash hungry as Letraset's £9m rights issue call during the week emphasised.

A substantial part of the proceeds, the group explained, will be used to finance the largest deal in philately history, the purchase of a \$4.4m collection of U.S. stamps and covers from a Wall Street banker, Mr. Marc Haas.

The last point is almost impossible to answer. A recent survey by Salomon Brothers showed that the appreciation of rare stamps (calculated since 1972) has exceeded all other forms of investment. The only pointer to the likely continuation of this performance is perhaps the rising rate of U.S. inflation which may make the search for a hedge that much more pronounced.

Gibbons is now expanding downstream into the second line stamp market, unlocking an enormous market among amateur collectors which the dealer does not at present really tap.

Letraset's major collections are sold slowly to maximise their worth.

Letraset's net cash of £1.7m last year had been transformed into borrowings before the rights issue and after the Haas purchase of £15m. Net worth is £16m.

The stock market is wondering whether the high cost of rare collections and their slow periodic cash sales from now on. The City is also asking itself whether stamp dealers' profits are less reliable than instant lettering earnings and finally whether Letraset bought at the top of the market.

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Our cars are built for long journeys.

All Renault owners relax on seats that are particularly deep and plush.

Yet it's an engineering fact of life that you can only fit such seats if the car has suspension to match.

In fact in any other car these seats would be less comfortable.

Which is why all Renaults have long travel suspension, that travels further up and down, to soak up more of the bumps.

This means that not only do Renault owners arrive in better shape after a long journey, their cars do too.

And even when their cars need to be off the road their owners still feel comfortable.

Because after 77 years in Britain, longer in fact than most car companies, we've built up a large and proven national network.

And as you can see, you're never far from one of our 435 dealers or 60 additional service points.

Which are as well planned as our cars.

All our dealers carry a large stock of parts; anything else they can get within 48 hours from our computerised National Parts Centre in Reading.

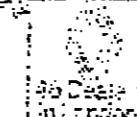
They all use electronic diagnostic equipment which reliably and quickly checks over 70 points on a car.

And every technician is specially trained by Renault, before he can work on a Renault.

So to appreciate one of our long distance cars make a journey.

To one of our short distance dealers. **RENAULT**

Drive into the 80s.



Our dealers are built for short ones.

YOUR SAVINGS AND INVESTMENTS

Shares in ICI are yielding significantly more than the market average.

Richard Lambert wonders why

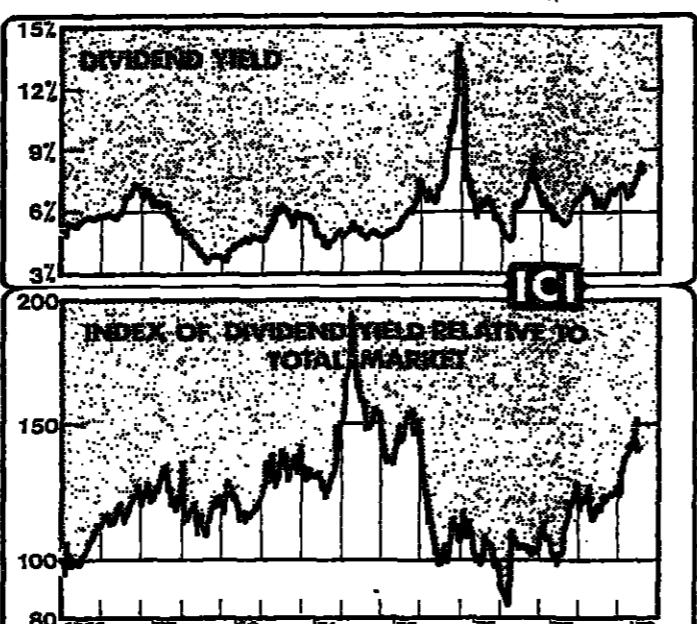
For whom the bellwether tolls?

LET'S GET one point clear from the start. I've no idea whether over the next six or 12 months ICI's share price is going to go up, down, or round in tiny circles.

Profit figures for the second quarter of 1979, to be announced next Thursday, could look quite good—especially in contrast to a wretched period at the start of the year. But from here on, the outlook for several quarters to come is bleak at best. An overvalued currency, rocketing input costs, sluggish demand around the world—ICI has to cope with all the familiar problems of British manufacturing industry.

No, the purpose of this article is simply to ponder over the fact that ICI's shares currently yield around 8 per cent, which is more than at almost any period since the war. The one big exception came in the final months of 1974—and at that time, you may recall, it really seemed possible that the financial system was heading for a collapse.

Relative to the rest of the market, too, ICI's current yield is much higher than it has been since the early 1970s. This is despite the fact that by almost any yardstick ICI's management and corporate shape has improved significantly over the last decade. Can the outlook really be that bad?



only in 1981, the great depression year, and in 1974 have yields averaged more than 7.4 per cent.

Of course there is a big difference between historic and prospective dividend payments—especially when the forecasts relate to as uncertain a period as 1980. The cheapest share

can always get cheaper, and as things stand it is quite likely that things will get worse before they get better. But for the long-term investor, who does not think that the world is about to change out of all recognition, some sound values may be starting to appear in today's stock market.

A backlash from the taxman could follow the recent flood of income bonds. Eric Short looks at the latest product

Albany takes a leaf from Liberty

WHERE WILL it stop? The Guaranteed Income Bond market is currently taking on the atmosphere of a cattle market, with each new offer topping the previous one in terms of yield offered. The latest comes from Albany Life, a subsidiary of the U.S. insurance giant American General Group, which is offering 12 per cent net of basic rate tax for four years, with income payable half-yearly. This compares with the 11.8 per cent payable yearly over three years recently announced by Liberty Life.

The reason for this intense competition is not difficult to find. New figures issued this week by the life company associations show that guaranteed income bond business is rapidly growing in popularity. Although still well below 1973 turnover levels, the pattern seen in that boom is nevertheless being repeated.

At that time product designers

stretched the rules to the limit in order to squeeze the maximum return out of bonds. As a result, the 1974 Budget clamped down on this type of

sensical in actuarial terms comparing the premium paid with the benefits received. The calculations, however, are made on the overall plan.

Eventually, however, the back room boys of the newer life companies discovered how to redesign their products and a few weeks ago we described in detail how Liberty Life's bond works.

In essence the money invested is split between a series of pure endowment policies to provide the income and a qualifying endowment policy to return the capital. The actuary has considerable choice in how the money is split, but the more that can be invested in the endowment the greater the boost to the yield from the tax relief available.

This, in fact, is just what Michael Granville, Albany's actuary has done. Each policy, taken by itself, looks non-

senseless in actuarial terms com-

paring the premium paid with the benefits received. The cal-

culation, however, are made on

the overall plan.

The disadvantage of Albany's approach is that the amount of investment is restricted if one wants the maximum return. Tax relief is only available on life policies up to one-sixth of income or £1,500, whichever is the greater. For an investor earning less than £9,000 a year, the maximum investment is £4,000. Albany in its promotion does make this very clear and is only interested in the basic rate taxpayer.

If history is to repeat itself, the Inland Revenue will have to take action sooner or later to stop the use of this tax relief for what is essentially a short-term investment. The Life Offices Association is alert to the danger and its chairman, Leonard Hall, the managing

An offering for the optimists

INVESTORS SEEKING a cheap way into unit trusts should take their chance now. Recent monthly sales figures may well make grim reading for moguls of the unit trust movement but, hidden amid these gloomy statistics, lies an opportunity for those who feel equities are set to rise.

What's happening is this. The low level of demand for units so far in 1979—in March there was actually a net outflow of money from unit trusts generally while the volume of net sales in May, June and July was unusually small—has forced the managers of many funds effectively to lower their prices.

In some cases, the difference is as much as 6 or 7 per cent, a highly worthwhile "discount" assuming, of course, your view of the likely trend of securities in the fund's portfolio is positive.

Unit trust prices, as unit holders well know, fluctuate from day to day depending on the latest valuation of these underlying shares. What is not so well appreciated, however, are other less perceptible price changes which take place from time to time. These are largely unrelated to equity market movements and are a function of the supply of and demand for units.

Unit trust managers are required by law every day to work out two different prices, the bid and the offer price, for their units. These correspond respectively to the amount which they will pay investors who wish to redeem or sell their units and to how much they will charge members of the public willing to buy. The spread between the two prices, currently about seven per cent in an average fund, naturally leaves room for the management group's "cut". It also reflects two different

methods of calculating the total value of a trust portfolio.

Under a formula laid down by the Department of Trade, the unit trust watchdog, the theoretical maximum offer price is arrived at after valuing all assets on a bid basis. M and G is more cagey but two half yearly reports—which arrived last week for the group's European and General and Second General Trust funds—give a clue to the trend.

Managers of both admit that sellers of units have recently outnumbered buyers. "Consequently," they observe, "the units are at present offered well below the full issue price," concluding with a fine marketing flourish, "this gives a good opportunity to add to holdings on favourable terms."

Investors preparing to snap up this chance should not of course, base their decision solely on these factors. They should first be satisfied that the fund of their choice is going to perform well. They should also be careful to ask which funds are likely to be only temporarily valued on a bid basis and which funds will be permanently there because interest in them has long ago waned.

Under this formula the difference between bid and offer can be as much as 13 per cent. The smaller spread, which most trusts advertise, is possible because managers dealing in units are usually able to match sales with redemptions, and thus avoid incurring most of the charges.

Against this background individual fund managers react to the variations in demand for their units by moving their prices (usually keeping them at a constant spread) within the spectrum. The point is that many funds are now experiencing net redemptions of units—hence prices have been moved nearer the lower bid valuation, and investors have been able to get in cheaply. If equities improve, the public's appetite for unit trusts is once again whetted, and demand forces managers to value their funds on an offer basis, investors buying now will effectively pick up an "extra" gain.

One company making a play

at the moment for some of this money is Vanbrugh Life, which is actively pushing its fixed interest fund. Behind this is the belief that investors should now

value on a bid basis. Unit trust groups will not publish such information but M and G and Save and Prosper, two of the largest unit trust outfits,

lower bid prices. Charges this time are deducted and the total is again divided by the number of units.

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In practice the problem is finding out which funds are valued on a bid basis. Unit trust groups will not publish such information but M and G and Save and Prosper, two of the largest unit trust outfits,

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Low coupons lose appeal

NEXT MONTH investors with a staggering £750m will be seeking a home for their cash in the gilt market. This is the amount believed to be held by private investors in Treasury 3 per cent 1979 and Electric 4 per cent 1974/79, two stocks extremely popular with high rate taxpayers looking for tax-free capital gains. The capital gains have been assured by the low coupons, which meant prices had stood at a substantial discount to redemption values. Furthermore, no capital gains tax is paid on gilts held for at least a year.

In practice the problem is

finding out which funds are valued on a bid basis. Unit trust groups will not publish such information but M and G and Save and Prosper, two of the largest unit trust outfits,

be altering their strategy. According to John Stone, Vanbrugh's marketing manager, Sir Geoffrey Howe's Budget has changed the situation completely. It has freed the majority of investors from the shackles that forced them into low coupon gilts. They can, he claims get better net returns from the Vanbrugh fixed interest fund than by reinvesting in another low coupon gilt.

For instance, Exchequer 3 per cent 1984 at 77 1/16 offers somebody paying tax at 45 per cent a net redemption yield of

7.3 per cent. The Vanbrugh fund at present yields over 12 per cent gross and on cash-in in 1984 this investor could expect, under current tax levels and on a conservative estimation a net return of around 8 1/2 per cent. In this case the investor pays only the difference between his tax rate and basic rate tax.

By going for a gilt bond, rather than investing directly in a gilt stock, the investor also does not have the problem of reinvesting the interest payments. In this case he has the benefit of professional gilt management by the Prudential, Vanbrugh's parent, Investment managers in traditional life companies. It is worth remembering, are weaned on gilt-edged portfolio management.

Wrongful dismissal

I have been dismissed from my teaching post at a public school. The contract was terminated after five months, but I was invited to complete the academic year to September, and have done so, thus having taught a full three terms.

Written allegations were made of incompetence, due entirely to student dislike of my teaching methods. Were these allegations confirmed by examination results, I would have no cause for complaint, but the reverse is true. My students have done better in my subject than in others, and I have reason to expect that GCE results will be good.

Should this be the case, have I any grounds for legal action for wrongful dismissal?

You may be able to argue that the effective date of termination of your employment was more than 26 weeks after its commencement, and so qualify for a claim. Your claim must be made within three months of the effective date of termination.

Whether you would be likely to succeed in such a

FINANCE AND THE FAMILY

claim depends on the whole of the circumstances, as to which we cannot advise you on the limited information in your letter, but you will of course have in mind that there are so many factors which make up good examination results that you cannot be certain of success in reliance on those results alone.

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If the UK tax has been deducted by the companies paying agents (and the shares are registered in the name of your son's own name), he should also ask the Foreign Dividends office for an exemption claim form A3, so that future dividends can be paid without deduction of UK tax—provided he does not expect to return to the UK within the next three years or so.

On the other hand, if (a) the UK tax has been deducted by your son's own bank or (b) the shares are registered in the name of the bank's nominee company or (c) the shares are in bearer form, he will not need a form A3 but instead should ask his UK bank to arrange for future overseas dividends to be collected without deduction of UK tax.

It is not the best place for your savings if you are already liable to pay Guernsey tax, as well as UK tax, on your worldwide income. Whilst you are resident in both Guernsey and the UK, the Guernsey tax on the whole of your income can be (in effect) deducted from the UK tax bill. After you cease to be resident in the UK, the Guernsey tax attributable to your UK-unit trust distributions can be relieved against the UK tax credit, but the interaction of the double taxation relief rules of the two countries is complex (as you will presumably read).

You will find general guidance in a free Inland Revenue booklet, IR20 (Residents and Non-residents: Liability to UK Tax), which should be obtainable from your tax inspector.

In addition, you could ask him or her for a copy of booklet IR1 (Extra-statutory Concessions).

Move to Guernsey

Since November 1977 following the death of my father, a Guernsey resident who left me his property including a house there, I have stayed in the house from time to time. I now propose to sell my house in England and to take up permanent residence in Guernsey, living on my savings invested in Unit Trusts and Building Societies. Shall I be liable to capital gains tax? What will be my tax position generally?

You should write to your UK tax inspector giving notice under section 101(5)(a) of the Capital Gains Tax Act 1973 that your UK house is to be regarded as your main residence from the day on which it ceases to be your only residence. This should ensure that you escape CGT upon its sale, and nothing else you mention seems to pose any CGT problems.

The building society is prob-

In these days when servants are a rarity the average householder has to take care over his cover for accidents to people in his house.

Questions of owners, servants and kin

ALTHOUGH FOR most families

the day of the long-serving and living-in domestic servant is many years past, many still have a deal of help in the home, be it from part-time nannies, jobbing gardeners, au pair girls or whatever, while many older citizens have housekeeper companions.

Nonetheless, outstanding Second Issue contracts are worth a tidy £17m to their holders on redemption.

Under the SAYE rules savers

pay regular monthly contributions (up to a maximum of £20) into a building society account and at the end of five years receive a lump sum bonus. At this point, which is the stage most people are now reaching, the investor has two choices—either take the money out or leave it there to attract another bonus at the end of a further two years.

The sums, based on the maximum monthly payment of £20, work out like this. At the end of five years a tax-free bonus of £280 is added to the total, giving an effective compound rate of 8.3 per cent per annum. At the end of seven years the saver receives an extra £280, providing a net return of 8.62 per cent compound over the whole seven year period, or 9.03 per cent

compound for the final two years.

Can a tax-free return of just over nine per cent be better elsewhere? The answer for nil taxpayers, who should probably not have bought the contract in the first place, is undoubtedly yes. For basic rate taxpayers, the best advice now is probably to stay put.

Over two years a building society term share would pay 9.25 per cent. This return however is not guaranteed and with interest rates expected to move lower this winter the SAYE contract seems much safer.

Meanwhile prices in the gilt-edged market, another possible home, have been moving higher in anticipation of lower interest rates, leaving yields that are less attractive.

A comparable gilt like Exchequer 9 1/2 per cent, which is to be redeemed in August 1981, was on Thursday yielding 9.03 per cent to redemption for a basic rate taxpayer. Exchequer 8 1/2 per cent, due to be redeemed a little sooner in June 1981, was yielding slightly more at 9.13 per cent to redemption for the man on basic rate tax.

Dealing costs, however, would almost certainly outweigh any marginal advantage though savers may well be able to boost their returns by selling the gilt just before redemption while still cum interest.

TIM DICKSON

INSURANCE

JOHN PHILIP

So, if the daily help is injured while using a domestic appliance, or if the jobbing gardener is hurt by the policyholder's son when the boy is using his air rifle to shoot at squirrels, and either makes a legal claim for compensation or the contents insurers should normally deal with that claim. But dealing with the claim does not automatically preclude payment of compensation, for whether or not insurers actually pay does depend upon the precise circumstances and the appropriate legal rules of liability and compensation.

More accidents happen in the home than occur on the road or in factories and offices although most domestic accidents are less serious than those caused in traffic or factory accidents. On the other hand, many domestic accidents are more "accidents" in the true sense of the word, events where it is difficult to fix some other person with responsibility so as to ground a claim for compensation.

The buildings cover provides liability insurance for the policyholder as "owner" (sometimes as "property owner") while the contents cover protects the policyholder as "occupier". Particularly because of this difference and because the limitations and exclusions in the contents section or policy that provides protection against claims made by "servants" irrespective of their precise legal status.

In fact, modern contents cover protects not only the policyholder but also members of his family against liability claims. Here definitions vary, what insurers call "temporarily disabled" or "disabled" from illness, this latter being substantially more expensive to buy. In either case, the usual minimum of family relations is the policyholder, wife, parents and children, although most insurers accept other relations within the definition if requested.

Annually renewable policies cover is obtainable for contents from £100 to £1,000, and for cover against disability from £50 to £500. Full annual disability cover is provided for two years. Full injury and illness cover is more expensive and the cost will be around six times as much for similar benefit.

The cost of injury/disability cover is small, between £7.50 and £10 a year premium will buy £50 of annual disability benefit, payable for two years

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1977 Aug. Rolls-Royce Silver Shadow II Saloon. Champagne, Dark Brown leather. Speedometer reading 7,700 miles.
1976 Sept. Rolls-Royce Silver Shadow Saloon. Walnut, Black Everflex roof, Tan leather. Speedometer reading 25,000 miles. £26,350
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1976 Jan. Rolls-Royce Silver Shadow Saloon. Regency Bronze, Beige leather. Speedometer reading 9,000 miles. £28,250
1975 May. Rolls-Royce Corniche Convertible Coupe. White, Dark Blue leather. Dark Blue hood. Speedometer reading 32,000 miles. £32,250
1975 Feb. Rolls-Royce Corniche Saloon. Moorland, Beige leather. Speedometer reading 4,000 miles. £31,350
1975 Feb. Rolls-Royce Silver Shadow LWB Saloon without Division. Willow Gold roof. Brewster Green base, Beige leather. Speedometer reading 46,000 miles. £25,300
1973 May. Rolls-Royce Silver Shadow Saloon. Grey, Beige leather. Speedometer reading 68,400 miles. £21,250
1973 May. Rolls-Royce Silver Shadow Saloon. Sage Green, Green leather. Speedometer reading 48,000 miles. £21,250

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1978 June. Rolls-Royce Corniche II finished in Willow Gold with Beige hide interior and Brown Everflex roof. 6,000 miles.
1978 Dec. Rolls-Royce Silver Shadow II finished in Chestnut with Beige hide interior. 900 miles.
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1978 March. Rolls-Royce Silver Shadow II finished in Cardinal Red with Beige hide interior. 17,000 miles.
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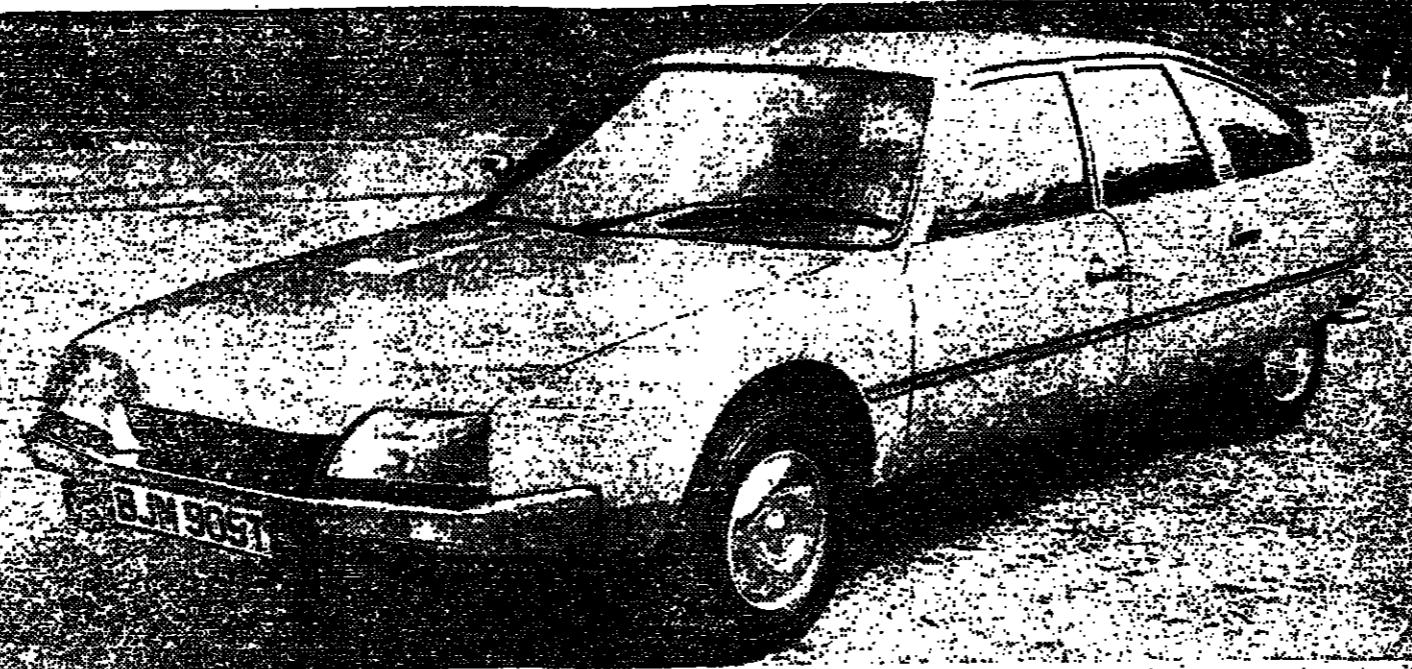
1975 July. Corniche Convertible in Walnut with Beige hide upholstery and Beige hood. A beautiful one-owner car. 30,000 miles. Offered at £29,500
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1974 Aug. Flared Arch Silver Shadow in Seychelles Blue with Beige hide. 61,400 miles. A sound investment at £19,350
1973 Jan. Rolls-Royce Silver Shadow in Silver Mink over Seychelles Blue. Dark Blue leather. 44,000 miles. £18,250
1971 Mar. Rolls-Royce Silver Shadow with 'M' reg. plate in Porcelain White. Brown Everflex roof. Tan upholstery. 61,000 miles. £13,500

WADHAM STRINGER



Synter

MOTORING



Next week, two new Citroen models go on sale in Britain. The curiously named Reflex and Athena have the same wind-cheating elegance as the other CX models but have acquired a new engine. This is the admirable 2-litre, light alloy four-cylinder also used in the Renault 20TS and the Peugeot 505. At last it gives the CX buyer an engine that is as up-to-date as the rest of the car. In the four-speed Reflex and five-speed Athena (pictured here) the new engine gives better performance and economy than the former CX 2000. The Athena, in fact, closely approaches the CX 2400 in 0-62 mph acceleration and top speed and is more economical in

town and at a constant 56 mph. Although it cannot quite match the 2400's 30 mpg at a constant 75 mph, it better's 29 mpg, which is very economical indeed for a luxuriant 5-seater. What is so striking about the Reflex and Athena is their greater traffic driving flexibility and silkier running at all speeds. The hydro-pneumatic suspension, the speed-sensitive Vari-power steering and the high-pressure hydraulic brakes are as good as ever. The cloth-trimmed seats are even better than before. Prices are £5,697 for the Reflex, which is nearly £100 less than that of the former CX 2000 that it replaces, and £6,229 for the Athena.

When the shows must go on

BY STUART MARSHALL

WHATEVER the outcome of the legal action between the dealers for motorists and the organisers of Motorfair and the Society of Motor Manufacturers and Traders, the show (or rather the fair) goes on. Motorfair, based by the Greater London Council, opens its doors to the motoring public at Earls Court on October 17 for a 12-day run.

The first Motorfair was held nearly two years ago to fill the gap left by the SMMT's decision to make the traditional London International Motor Show bi-annual and shift it to the National Exhibition Centre, Birmingham.

About 400,000 people went to the 1977 Motorfair. That was not a bad attendance, even if it represented only one-third as many people as went to the first Motor Show to be held at the NEC in October, 1978.

Whether the '79 Motorfair will be as big a draw as the first one—and whether the 1980 Motor Show at the NEC will enjoy a repeat of last year's colossal attendance—remains to be seen. Motorfair is a totally different kind of event from the Motor Show.

So why can't Motorfair fill the gap between Motor Shows with

the SMMT's blessing? The first mainly from London and the south-east, will have to wait and see.

What is certain is that if the SMMT ban on participation is rigidly respected, a lot of exhibits that Motorfair visitors would like to see won't be there. Cars, for example, like the new front-wheel drive General Motors hatchbacks and the new Mercedes saloons that make their debut next month at the Frankfurt Show. The first British show at which they will be seen will be at the NEC, Birmingham, in October, 1980.

The result will not be known until long after this year's Motorfair has taken place. But the organisers say they want to know where they will stand in relation to the Motorfairs that intend to hold in 1988-1981 and so on.

No one knows at this stage how successful Motorfair can be this year without the open—or even clandestine—support of SMMT members. The organisers consider they have a good nucleus of exhibitors and are confident that the presentation will be as spectacular as it was last time. Potential visitors,

for the exhibitor, motor shows have become hideously expensive. (One large tyre manufacturer told me they had spent a five-figure sum on going to the NEC last autumn and did not know what they had got out of it.) The SMMT's anxiety not to have its members frittering away some of their budgets on Motorfair is understandable.

But should it deny British motorists an opportunity of seeing the latest and best of the world's cars under one British roof in a year when there are only two major European shows at Geneva and Frankfurt? Many, like me, think not.

MERCEDES-BENZ IN LONDON

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240 CE 78 (TL). Black bicolornament, leather, alcantara, a/wheels, E.S.R., cruise control, 11,300 miles. £16,950 or £17,500 p.m.
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240 CE 78 (TL). Black bicolornament, cloth, alcantara, a/wheels, E.S.R., radio/cassette, 11,300 miles. £17,950 or £18,500 p.m.

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BOOKS

Young man's fancy

BY C. P. SNOW

Barclay Fox's Journal edited by R. L. Brett, Bell and Hyman, £5.95. 426 pages

Here is a lucky find. Recently a cache of manuscripts was discovered, or more exactly just happened to be found, in a Cornish country house. No one had looked for it, though this had been one of the houses of the Fox family and Caroline Fox's diary had been well known for many years. This new discovery turned out to be the journal of Caroline's brother, Barclay, ten volumes of it, mostly written between the ages of 16 and 26, which covers the period 1818 to 1844.

It didn't take much investigation to see that here was a record of quite uncommon interest. To publish it in full would presumably have been too much of an undertaking, but we are now given a version skilfully cut and edited by Professor R. L. Brett and handsomely produced.

The cardinal value of the journal lies in the personality of the author. He emerges as one of the most attractive of characters, and his vigour, curiosity, kindness and competence blow fresh from page after page. He was highly intelligent, cheerfully masculine, deep natured, high spirited. He wasn't a tourist of genius, as Pops was, but he has become among us a man, human favourite—much tougher and cleverer than Kilver, more fun than Evelyn, less self-bound and puritan than Agassiz—the list can be prolonged.

There are other attractions besides the personality of the author. The period itself is very interesting. A great deal was happening. There was excitement and hope in the air. This was the high time of Dickens's brilliant youth, and Barclay and his friends were reading the

early novels and feeling that Dickens spoke for them. They were living as he did in the take-over between the old agricultural England and the new industries. They had travelled in stage coaches and were beginning to travel by railways. It is probably, as J. B. Priestley once said, that England has never looked prettier before or since; that is, if you didn't notice the hovels of the agricultural labourers.

Barclay Fox's family provided another attraction. They were well-to-do Quakers, settled in Cornwall for centuries, the leading clan in Falmouth. Fox and Company had spread their interests, shipping, shipowning, fisheries, mining. They weren't inordinately rich; one has to remember that there wasn't much money in circulation. But they were certainly prosperous members of the haute bourgeoisie, related to, intermarried with, other established Quaker families, Barclays, Lloyds, Peases, Backhouses, Buxtons, Hoares.

The elite English schools and universities were Anglican foundations and so closed to these families, but they were highly cultivated and educated—sometimes, as with Barclay, through being tutored at home, which didn't prevent the young man from becoming easy in all kinds of company. The intellectual life of this Quaker enclave was characteristically active. By any standards, the Foxes stand out as well informed. Barclay's father, as well as being successful in the family business, was also an FRS. That didn't mean that he was a professional scientist, but he produced inventions that made the local mining more efficient, and he was on intimate terms with the science and scientists of his time: just as Barclay, in his twenties, became a close friend of John Sterling, John Stuart Mill, and more surprisingly Carlyle.

A couple of years later he settled for Jane Backhouse, who was, by all accounts, beautiful. She was cool, dignified, couldn't or wouldn't express emotion. It looks as though that provoked Barclay. Somehow he was going to break through those reserves. He was helped by pressures from both families: the two of them were among the most desirable prospects in the Quaker upper-class. Jane melted enough to accept him. Though she might be inhibited in speech, she wasn't so inhibited in other respects. After they had inscribed them-

selves on the Society of Friends register as intending to marry, they went for a walk through the fields. There they, with amicable consent, had apparently without many words, applied themselves—literally—to a roll in the hay.

Later that day Barclay wrote in his journal, with extreme gusto: the stately Jane G. Backhouse is actually come to this.

Well, that entry isn't the height of chivalry: but a good many men will read it with a brotherly grin.

Their marriage was very happy, and they had five children. It is saddening to learn that Barclay, so full of the joy of life, had years of illness that nineteenth century medicine didn't comprehend, and died before he was 40.



Barclay Fox: most attractive of characters

Lost in a land of limbo

BY ISABEL QUIGLY

Skinner of Skinner's Horse by Philip Mason, André Deutsch, £5.95. 241 pages

Masquerade by Cecilia Sternberg, Collins, £5.95. 335 pages

The Lead Soldiers by Uri Orlev, Peter Owen, £6.50. 234 pages. Translated from the Hebrew by Hillel Halkin

Mixtures of nationality and race, cultural overlappings: my three novels have these in common. All are about confused identities and, as a result, erratic progress through life. Otherwise, totally unlike.

The first is about a famous soldier of fortune in 19th-century India who raised an equally famous regiment of irregular cavalry, his "Yellow Boys," called after the colour of their coats. Philip Mason has dealt with India in several genres—in fiction, biography, essays. His book on Kipling was masterly; his autobiography, *A Shaft of Sunlight*, had many of the qualities of insight and delicacy shown in this novel. Based closely on fact (its hero's memoirs and a biography written by a friend ten years after his death), *Skinner of Skinner's Horse* is about a man who found fulfilment and

serenity in a synthesis of the cultures that formed him, and out of their propinquity, but apparent irreconcilability, produced a rich mixture of philosophical insights. Son of a Scottish father and an aristocratic Rajput mother (who committed suicide rather than see her daughters sent to school), Skinner lived in India where there was no accepted place for him on either side. The extremes of racial separateness hadn't yet arrived, but time and time again he was refused the high office his gifts deserved by both races, since he belonged wholly to neither. Yet his life ended contentedly, with final recognition from both sides, honoured, respected, and much loved at every level.

The book is a celebration of honours in all its manifestations: in the dash, warmth and high courage of the Rajputs at their best, or the sense of unselfish purpose and responsibility of the British at theirs. It is luminously written, enlightening about all sorts of aspects of life, thought and feeling in India: about notions of behaviour, affection, decency, about many non-British and therefore unfamiliar attitudes, all tinged with Skinner's memory of his father or the much closer English friends he made in adult life. It has a lot to say about techniques of

fighting, the facts of army life, the nature of discipline and courage, as well. In fact, it stretches the imagination while it warms and refreshes the spirit.

Masquerade is a novel that may recall the crowded, knowledgeable works of Sybille Bedford or perhaps of Rebecca West. But not quite. It is more romantic, less exact and disciplined than the writing of either, and throws an interesting light on the treatment of reality by writers using this kind of material. For it is the first novel by the author of a particularly interesting autobiography, Countess Sternberg, and it clearly uses places and ways of life familiar to her. But whereas one could accept the dramatic reversals of fortune and the high adventures of her own life, as she described them in *The Journey*, it is much harder to take them to heart in action: which may seem a contradiction in terms or just an obvious comment on the differences between life and art. *Masquerade* is highly readable (once started I was hooked and read straight on), but has more than a touch of the preposterous about it. A busy plot and lots of high-coloured characters, set pieces such as a grand country funeral in Schleswig-Holstein and an even grander pre-war ball in Vienna, an old woman

who identifies herself with Catherine the Great and whose life almost follows her model's pattern, ghoulish reversals of fate (the most beautiful face imaginable burned to an unutterable horror), huge fortunes, vast estates, murders and cover-ups: all these surround Eddie, the English narrator, who goes to tutor a boy on a beautiful estate in Germany and in no time (or so it seems) becomes the grandmother's death-bed confidante, the mother's lover, and the boy's best lifelong friend. I don't say it is impossible to turn this into plausible fiction; just that it seems too obviously the stuff of fiction, therefore hard to use. Perhaps it had best be taken as the romantic romp it may have aimed at being, but it has higher ambitions, I think, than that.

The Lead Soldiers looks at the reality of wartime Europe from a very different angle. Instead of the panoramic view, it gives a child's-eye view of what happened, with everything seen in terms of misunderstanding events and games played while these events went on. Two Polish brothers, sons of a Jewish doctor, are trapped in the Warsaw ghetto and then spend two years in Belsen. Through-out their adventures and sufferings they lead an intense inner

life with a few lead soldiers that take on the sort of life the Brontës toys had, a reality more real than that around them. The facts seem based on those of the author's life: time in the ghetto, loss of a mother, deportation to Belsen, final freedom and settlement in Israel. The book was published 23 years ago and comes in a not very inspiring translation (the Polish form of address is kept, causing a great sense of distance); but it is well worth having, especially the early parts, where the confusion of life in the balance, and the child's total lack of understanding of any of it, is very well conveyed. What a muddle, apart from everything else, it seems to have been: the venality and inefficiency of the butchers being as important as anything else.

Later, when the story moves to Belsen, it loses intensity; one feels unconvinced of the boys' absorption in their play.

Most of *Masquerade* is about Hitler's Germany, the persecution of the Jews, their feelings and others' judgments are made, knowledge is shown, the general scene is surveyed. In *The Lead Soldiers* nothing is explained, no comments are made, nothing is seen except the immediate; yet in the tiny vision of childhood there's much more implied about evil, suffering and death.

Take one part of *The Moon's a Balloon* and one part of *News from Tartary*, and you might arrive at something like the style of *Ambon: Island of Spices*. Shirley Deane writes easily and entertainingly—and that is, paradoxically, the disappointing part. If she stopped trying to be entertaining, this prolific and likable writer could be very good indeed. As it is, life seems to have been: the venality and inefficiency of the butchers being as important as anything else.

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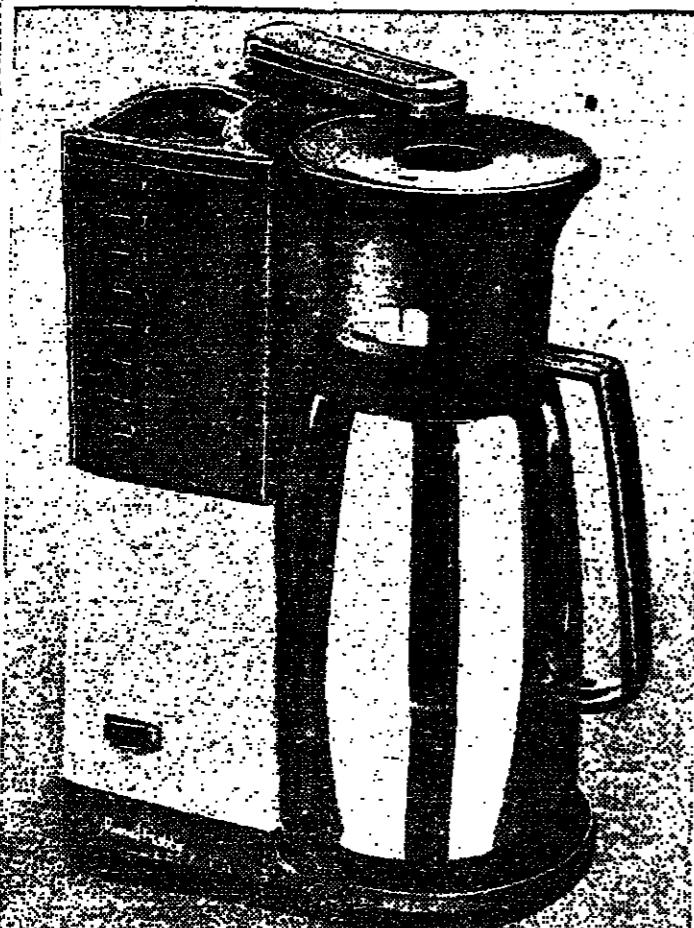
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HOW TO SPEND IT



The Russell Hobbs filter coffee maker is exceedingly sleek and trim to look at and easy to use, once you get the hang of the system. It makes up to eight cups of coffee in a very short time, though the eight cups are definitely after-dinner size cups not breakfast-size. For breakfast I always make three of their cups (measurements are marked on the side) for two of my cups.

The great feature of this machine is that the coffee is made into a sleek vacuum flask which has its own stopper

so that should members of your family dribble down to breakfast in relays (as mine do) you can make the coffee, help yourself and then put the stopper on the flask which will then keep it hot until it is needed.

The machine is about £29 and is so new it is just filtering into shops like Harrods, Selfridges and the Army and Navy in London. For out-of-London stockists write to: Customer Relation Department, T1 Russell Hobbs, PO Box 1, Blythe Bridge, Stoke-on-Trent, Staffs.

For those who live alone or are the only coffee drinkers in the family Fondona make a filter coffee cup that makes coffee for one person. Most filter systems depend upon disposable filter papers but with this cup no papers are used—you put the ground coffee into a recess in the stainless steel top, cover it with the filter tray and pour hot water over it all. The

whole unit is made of high quality stainless steel and can be washed in the dishwasher. The Fondona can be bought from department stores including Harrods and Fenwicks of Brent Cross, for about £4.60. Alternatively if you have trouble tracking it down you can buy it direct from Fondona, 112 Anson Road, London, NW2 (£4.85 plus 60p p+p).



The very latest in coffee machines is the Moulinex Automatic Coffee Maker. Its chief claim to fame is that, besides making excellent coffee, it can be programmed to make that coffee at any hour you choose—in other words, where once it was just tea-drinkers who could wake up to find their favourite brew ready and waiting for them, now coffee-drinkers, too, can know that the delicious sense of waking to the smell of freshly-made coffee. There is no alarm attached to the machine, so you have to organise your own

waking-up but there is a mechanism for keeping the ready-made coffee hot should you oversleep. The design is efficient, the machine makes up to nine cups of coffee in eight minutes, and though it gurgles like Vesuvius, it really does make the whole business very easy. One slight snag—the machine is rather large for the average bedside table, measuring some seven ins by 13½ ins by 11 ins.

It costs about £30 and is available from a large number of good department stores, including Harrods of Knightsbridge, and John Lewis.

Those who become addicted to espresso coffee say that there is nothing else quite like it. It is, of course, the

typically Italian way of making coffee and it is becoming increasingly popular over here. The water passes through the coffee beans more quickly than with most other systems and extracts maximum flavour from them so that both strength and flavour are improved. The cognoscenti can tell at once whether coffee has been made by the filter, percolator or espresso method.

Pavoni, who are to espresso machines what Rolls-Royce is to cars, have a domestic espresso machine on sale in this country which is the Pavoni Europiccola. It is very expensive (£100 or over), though aficionados say it is worth every penny and it does after all last a lifetime. It makes both espresso and cappuccino "almost immediately." You put the water in one place, coffee in the other, pull the lever and lo and behold there is enough for two cups. For more coffee, you just repeat the process. To make cappuccino, you add milk.

Find it at Harrods of Knightsbridge or the Algerian Coffee Stores, 52 Old Compton Street, London W1.

Nordic nosh

ANYBODY who has ever been to Scandinavia in midsummer will know all about the crayfish parties which are one of the highlights of the summer season. This year Selfridges of Oxford Street, London W1 has decided to import crayfish by the kilo to introduce the British to this northern delicacy. Unfortunately you can only buy them if you go to the shop in person for although the crayfish are deep-frozen they cannot be dispatched by van or mail in case they should spoil. The 1 kilo packs contain between 20 and 30 crayfish specially prepared in a dilute brine and they cost £7.50 a kilo. Each pack includes suggestions for serving but Selfridges tells me they are best if left to defrost and then lifted from the dilute brine and served quite plain. You could also serve them in a creamy sauce if you fancy something more elaborate.

	PRICE PER BOTTLE
Claret 1970 Ch. Mouton-Rothschild (Pauillac) CB	£26.62
1970 Ch. Brane-Cantenac (Margaux) CB	£8.89
1971 Ch. Lafite-Pauillac (Margaux) CB	£21.58
1971 Ch. Ducru-Beaucaillou (St. Julien) CB	£7.88
1972 Ch. Pavie (St. Emilion) CB	£4.45
1973 Ch. Gazin (Pomerol) CB	£4.38
1973 Ch. Potensac (Médoc) CB	£3.50
1976 Ch. L'Escadrille (Côtes de Blaye) FB	£4.45
1978 Ch. Piron (Bordeaux)	£4.08
White Bordeaux 1975 Ch. Rieussec (Sauternes) CB	£6.04
1975 Ch. Guiraud (Sauternes) CB	£6.39
1976 Ch. La Louvière (Graves) CB	£3.17
Red Burgundy 1972 Bonnes Mares (Louis Jadot) FB	£11.50
1974 Vosne-Romanée (Grosjean Léger) FB	£3.99
1973 Aloxe-Corton (Moreau Fontaine) FB	£6.55
1973 Santenay (Grosjean Léger)	£3.99
White Burgundy 1975 Mâcon-Villages (Moillard) FB	£3.87
1977 Chablis, Domaine de Biville DB	£5.07
1977 Louis Jadot Reserve FB	£3.82
French bottle de-Domme bottle co-Château Verdel	

All offers subject to availability, alterations to V.A.T., duty or tax, and any other price changes.
By law we are not allowed to sell alcoholic drinks to anyone under 18.

We are always pleased to accept Access, Barclaycard and cheques supported by cheque cards.

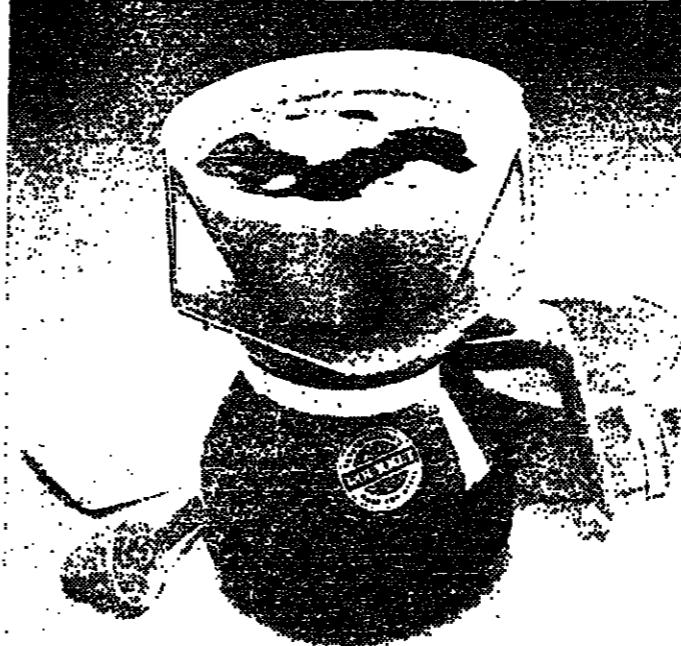
VICTORIA WINE

FAMOUS FOR VALUE SINCE 1865.

COFFEE BREAK

I hardly know a household where the making of coffee isn't the subject of endless debate. There are those who like the simplest method of all—pouring boiling water on freshly-ground coffee in a jug—and then there are those who swear by all manner of gadgetry. I certainly think that a good cup of hot, strong coffee is a basic culinary accomplishment and, as you can spend anything between a couple of pounds and over a hundred pounds on machinery, this week I've decided to look into some of the new gadgets around and see

whether it is worth investing in one of them or not. Apart from the machinery the other requirement for really good coffee is—fresh coffee beans. Grinding them yourself just before use gives much the best flavour and if you don't live near a shop that sells really good coffee if you write to us enclosing a sae we'll send you a copy of an article on coffee beans that we ran last year which lists several companies specialising in orders by mail. Write to the "How To Spend It Page" and mark your envelope "coffee."



The filter method of making coffee (whereby boiling water seeps slowly through the ground coffee) is, after the jug and boiling water system, much the simplest and safest way of making coffee. The coffee cannot boil, the results are never bitter, though the drawback is that the coffee is not always very hot due to the time taken for the hot water to seep through. This simple but effective coffee maker is made by the only British manufacturer making filter systems, Gourmet Coffee Systems of 17 Mere View Industrial Estate, Yaxley, Peterborough.

Gourmet Systems discovered that no more than 3 per cent of all housewives who make coffee ever make

more than three to four cups at a time so they decided to produce two sizes of filter coffee makers—the "Compact" (photographed here) which produces between two and six cups and the "De Luxe" which makes up to eight cups.

Whereas with most filter systems the top filter rests rather precariously on the top of the jug and can easily be toppled over, this particular model is designed so that the cone drops into the coffee jug by about 1½ ins making the whole appliance much more stable.

Most good delicatessen shops and good department stores sell the filters—the "Compact" is £4.16, the "De Luxe," £4.99.



Stopper style

IF you're looking for a special present these globe shaped bottles with the Lalique-like frosted stoppers are extraordinarily pretty. I'm never quite sure who uses perfume bottles as most perfumes arrive in bottles which are very pretty in their own right but these are certainly appealing enough to induce almost anybody to find some reason for using them. All the bottles are made from crystal while the stoppers vary

—there's a choice of a winged Pegasus, a horse, elephant or a group of waving flowers. Each bottle costs about £15.00 and is made by Wuidart Glass.

There is a good selection at Fenwicks of Brent Cross and Crofts of Norwich now; larger supplies will be available from Liberty's perfumery department and from John English Gifts, 5 Princes Arcade, Piccadilly, London, W1, from the middle of next week. For other stockists write to: Wuidart Glass, 13 Rathbone Place, London, W1.

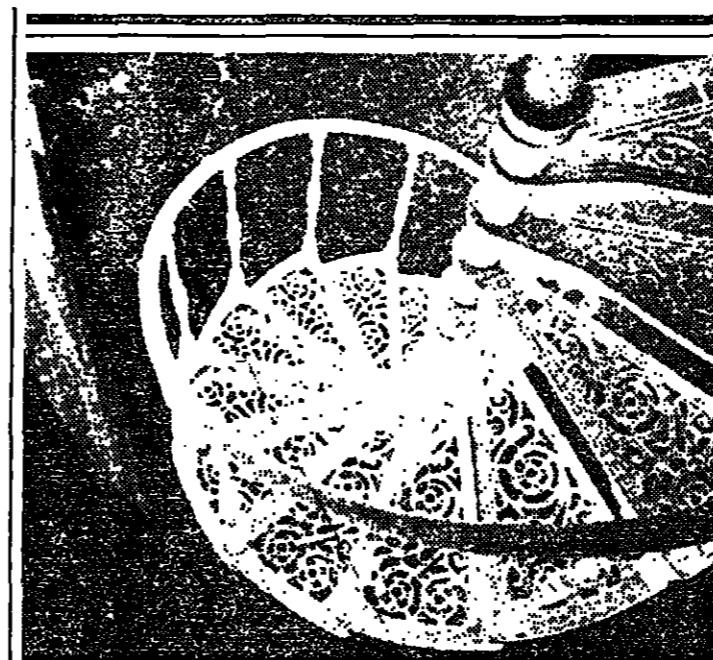
Gallic flavour

READERS WHO were interested in Judy Whale's article on short courses at British cookery schools might like to know of the experience of a reader. Mrs. Deanne de Chassiron, who went to France to learn to cook. She enjoyed it that she felt others might like to know about it.

"The course was arranged by the 'En Famille Agency,' Westbury House, Queen's Lane, Arundel, Sussex (Tel. 0903 883266) and was really marvellous and incredible value for £108 that we paid for a six-day residential course. This included travel by train, hovercraft and coach.

"We then ate the dishes accompanied by the appropriate wines. We had an aperitif before every meal, and a champagne buffet on the last night."

Any reader who would like to know more should write directly to the En Famille agency.



Twist and turn

IF YOU'RE short of space, the easiest and the most space-saving way of getting from one floor to another is by means of the spiral staircase—you don't need landings and corridors and all the other space that the conventional staircase uses up. They can also be exceedingly decorative as this photograph of a cast-iron Victorian reproduction staircase shows.

However, most of us, unless we're architects or engineers, are rather ignorant about the technical problems that a spiral staircase might involve. Albion Designs, who make the spiral staircase photographed here, have opened a spiral staircase centre where potential buyers can seek advice on every aspect of their installation.

The centre is at 12 Flitcroft Street, Charing Cross Road, London, WC2, and is open from 9.00 to 5.30, from Monday to Friday. Besides their own cast-iron reproduction staircase cases, they have examples of wood, concrete and many other types.

They can also be exceedingly decorative as this photograph of a cast-iron Victorian reproduction staircase shows.

Secondly, it's totally electronic and far less likely to go off accidentally.

And, again, an electronic solid-state system can often cost less and is also easier and faster to service.

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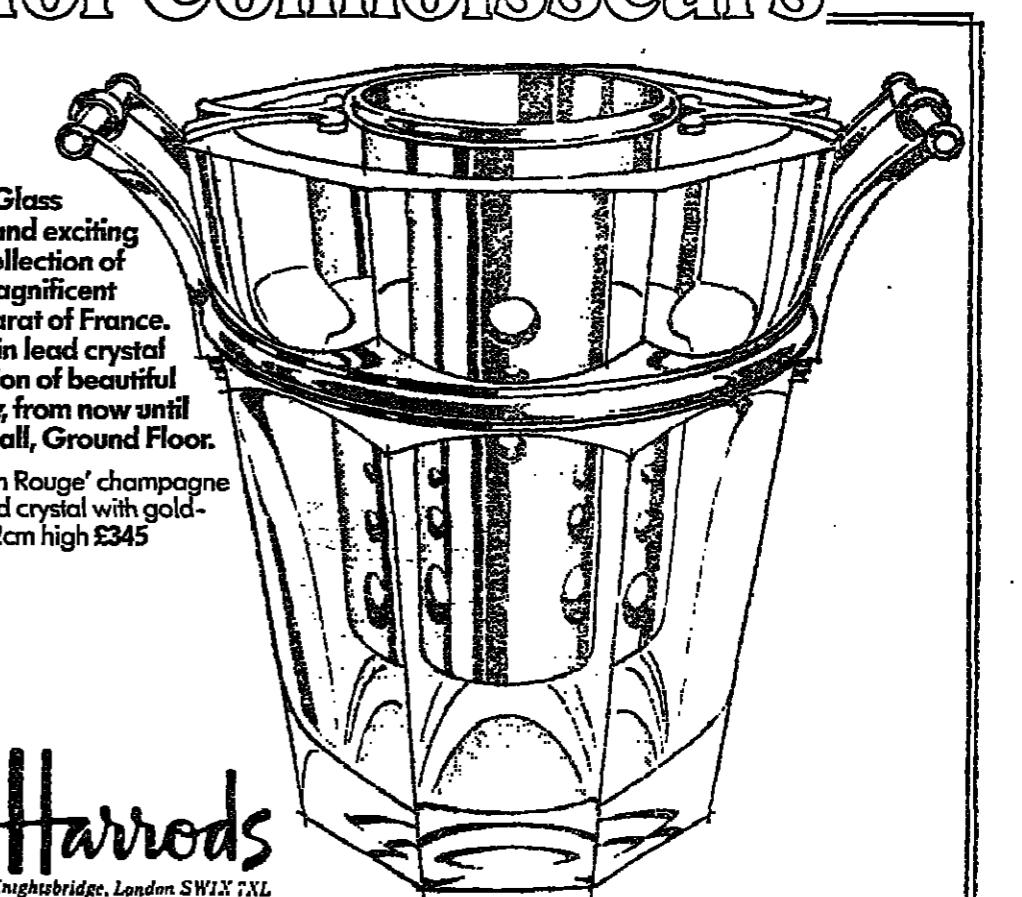
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LEISURE

Naïve appeal

DISCOVERING THESE pictures can be likened to the pleasures of fishing. From time to time one comes up with an exciting and rewarding catch," wrote Andreas Kalman in the introduction to the catalogue of his "English Naïve Paintings" exhibition in London in the summer of 1971.

I still get enormous pleasure looking through that 1971 catalogue, savouring the caption on the Country Fete, "Four Old Port, Strawberries and Cream." Ladies" originally joined to a panel showing a scene of Visitors' Day at a small country house, with cakes, fruit and wine being passed around. The illustration of the pugilist Tom Sayers (1826-1865), champion of England at the end of the 1850s exudes strength and solidarity. (Born in Brighton, he worked as a bricklayer before

COLLECTING

JUNE FIELD

going in to the fight game, from which he retired undefeated after his last bout against American John C. Heenan when the result was declared a draw.) Rat-catching, bear-baiting, fighting cocks, prize sheep and bulls, all are there in robust glory.

Many of the paintings, particularly those of Victorian and Edwardian vintage, were unsigned. The named work of the more contemporary artists have particularly stood the test of time—Alfred Wallis (1855-1942), James Lloyd (1906-1974), and Elizabeth Allen (1883-1967), whose rag-mosaic pictures had already been acclaimed in an exhibition organised by the Crane Kalman Gallery at the Whitworth Art Gallery in 1966.

America's appreciation of its

native artists goes back to the 1920s, and over the years enthusiasts have gradually pieced together many names and identities. One of the most well-documented is Anna May Robertson Moses (1860-1961), who because she was in her late 70s when she began her career as an artist, became known as Grandma Moses. She had no formal training, and a sparse education; at the age of 12 she became a "hired girl" working for 15 years before marrying in 1887, the hired man of one of the families she worked for. The National Gallery of Art, Washington, to whom Edgar William and Bernice Chrysler Garisch gifted much of their superb American folk art collections, mounted a retrospective of this remarkable woman's output earlier this year. The paintings are carefully matched in with real life events and anecdotes in the excellent catalogue. It needs reading in conjunction with Grandma Moses' lively *My Life's History* (Andre Deutsch 1952), edited by Otto Kallir, her dealer, biographer and friend, who died last year at the age of 84 after helping to organise the museum show.

In the "How I paint" chapter she described how she "got a frame, then I saw my masonic board to fit the frame," adding: "I always thought it a good idea to build the sty before getting the pig, likewise with young men, get the home before the wedding."

Helen Bradley, who died last month at the age of 79, was hailed as Grandma Bradley in the United States, although in the introduction to the catalogue of this year's summer exhibition of her work at W. H. Patterson's Albemarle Street Gallery, Lord Rhodes was quick to make the point that she was not a Lancashire mill town Grandma Moses, but "a fascinating raconteur and painter in her own right." Yet she too, did not take up painting until she was

plastic food and atmosphere of some fast food restaurants. They also this, as any English parent of young children knows, is a real revolution, decided that they would welcome children. Most English restaurants—of course—positively hate children.

The search was therefore on for premises large enough to get economies of scale, central enough to attract enough people and attractive enough for the kind of place they envisaged. By chance, last November they found a 5,000 square foot vegetable warehouse in Covent Garden for £25,000 a year. Eight months later Porters is already drawing some 2,500 people a week and the owner is optimistic that this figure will climb still more sharply once the August lull is over.

Rents, labour, rates and food rise so fast nowadays that a restaurant like Porters has to be run with maximum efficiency to achieve enough turnover to make it profitable.

So Mr. Lorrimer devised a careful menu whose chief feature is a range of individually cooked pies (steak and kidney, lamb, and apricot, chicken and leek, haddock and cod, and so on). These are complemented by a small list of starters (smoked mackerel, home-made soup, etc.) and some puddings (bread and butter



Martin Leman's "The Sisters" from the Rona Guide To The World of Naïve Art £3.50. The current Rona (Register of Naïve Artists) exhibition is at the Guildhall Art Gallery, King Street, Cheapside, EC2, 10 am to 5 pm, until August 30.

65, and had very little formal education.

Collectors in a more modest sphere should study *The Rona Guide to The World of Naïve Art*, published by the Register of Naïve Artists, a splendid illustrated and informative directory of the work of a host of contemporary artists in this country and overseas, whose work can be bought for reasonable sums, say £100-£500, possibly less. (£4 including postage from Stanley Harries, Director RONA, 6 Duke of York Street, London SW1). The group's latest exhibition, "London Naïve Painters" is at the Guildhall Art Gallery, King

pudding, treacle sponge, homemade water ices and so on). All are made on the premises.

Each item on the menu has its own number and waitresses who take the orders pass them directly to the cashier. They are then keyed into a small video terminal, and the chef, in the kitchen one floor below, receives an immediate print out. This dispenses with a lot of paper, means that the waitress no longer has to keep walking up and down the stairs just to give her orders and ensures that the chef does not have to listen to a host of orders shouted down a microphone. At the end of the meal the cash register, which is also a computer, retains each code number into letters and prints out a fully itemised bill.

If the restaurant is quiet the waitress can relax out of sight and the cashier can call her to her tables using a different beeper code when customers arrive. There is also an emergency code in case of bomb scares, drunks, illness, etc.

The net effect of this is that it cuts down the time taken to serve each meal and means that fewer waitresses can be used more efficiently. When and if, Porters opens other branches, the video terminal and the computer cash registers can be connected to a central point which can monitor operations.

Indeed it may be possible to do some of the daily food pre-

parations—vegetable cutting, pastry making and the like—at the high cost centre of London where the space used by the kitchens is very expensive.

That is very much in the future. For now, it is safe to say that the system does seem to work. An unannounced test lunch last Saturday with two children (aged 2 and 4) and my wife was certainly a pleasant experience. A high chair was offered, without even being requested, for my two year old. Service was quick, but very friendly. My wife's lamb and apricot pie was delicious and the children enjoyed their chicken and leek pie (they shared one between two and a second plate was produce automatically). Unhappily, my chicken pie was a little cold at the centre. But the salads and the glasses of white wine were good and the peach and strawberry ice creams delicious. With two glasses of Coca-Cola, coffee and VAT the bill came to £9.28.

While that is not cheap it is certainly quite reasonable by today's standards.

Mr. Lorrimer's latest idea, so far only a gleam in his eye, is that waitresses should even do away with order pads and use hand-held electronic order-taking instead. This would put the order direct into the computer and the video terminal.

RESTAURANTS

BY DAVID BELL

TAKE £350,000 some old English recipes and a disused vegetable "warehouse" in Covent Garden. Add a video terminal, a mini-computer and beepers for all the waitresses.

The restaurant in question—Porters in Henrietta Street, Covent Garden—has only been open six weeks, not long enough to come to firm conclusions about quality over the long haul. But it certainly deserves a visit if only because the medium-priced sector of British catering so desperately needs the kind of improvement it is trying to make.

Porters is owned by Viscount Newport, the 31-year-old son of the Earl of Bradford, who has already been involved in several businesses in and out of catering.

He, and his adviser Mr. Alan Lorrimer (who is currently running the restaurant in its start-up phase) were well aware of the implications of the fast food revolution that has already swept the U.S. But while recognising that ever-rising costs have pushed restaurants further from art, and closer to science, they were anxious to avoid the somewhat

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HOW SENSIBLE is it to save seed at home? For some purposes very sensible indeed, for others a waste of time so it is worth thinking a little about what makes the difference.

By no means all plants produce seedlings exactly like themselves. This may not matter or may even be an advantage if one is looking for something new but it is certainly no use saving seed from one of the fine new first generation hybrid (F1) annuals and expecting to get a batch of seedlings as uniform as those produced from the raiser's seeds. In fact the F1 system is, in part, a device for giving raisers an absolute monopoly on each of their varieties since to produce it two distinct inbred plants have to be crossed and these parent stocks are never distributed to anyone else.

Sometimes in the second generation the hybrid breaks up so badly that it is useless but this is not always so and some very good second generation (F2) hybrids are produced. Some are distributed but some are not since more money is to be made out of the expensive F1s. This is not the kind of information that is likely to be disclosed in any publication. One has to find it out for oneself if it seems worth the trouble which it rarely is.

One is on much safer ground with species which do, as a rule, produce fairly uniform seedlings though here again there are exceptions. Varieties selected for some special quality, white forms of normally coloured flowers, for example, are unlikely to breed true, that is, to produce seedlings closely resembling themselves, unless they are grown in isolation so that they are self-pollinated, and even that may not be sufficient. Again the amount of detailed information available is limited and one must usually find out by experiment. For my part I am nearly always happy to do so for the chances of interesting results are usually good.

Usually I only require a few seeds of any one thing and just two or three pods, heads or fruits will suffice. If they are really ripe, brown and ready to scatter, I simply shake them into an envelope or seed pocket but if there is any doubt I cut them with a good length of stem, lay them in paper lined trays and place them in a dry place, such as a greenhouse or window, until they are discharging naturally.

The season's greetings

THE PRE-SEASON is a happy period full of hope, sun and confidence. The managers and coaches are convinced that this really will be their year, and they will be able to satisfy the frequently extravagant demands of their directors, which is essential and also that of the club's supporters, which helps. In the main, their players are fresh, bronze, fit and enthusiastic. They have convinced themselves that the slight modification to last year's back four has tightened up the defence and it certainly appears to work in practice games, while the new striker, bought for a give-away £200,000, will provide those missing goals.

Today the 1978-80 football season commences, and reality takes over. This is the moment of truth, when the dreams, wishes and promises of one manager come face to face with those of his counterpart of another club, and doubts first arise. This will not apply to Bob Paisley, even in the unlikely event of Liverpool being beaten by Wolverhampton Wanderers away. Last Saturday he saw his team demolish the cup-holders, Arsenal, in the Charity Shield with a brilliant display, which must surely guarantee them further successes. They possess the balance, the teamwork, and the players.

Kennedy, Souness, McDermott, and Case are currently the most efficient mid-field quartet in the country.

The only thing that Bob has to fear is a string of injuries, but even then he would be far better off than any other manager, because his reserve team is exceptionally talented.

For some managers in the

lower divisions, some of their optimism has already departed in the disappointment of a speedy elimination from the League Cup. Five second division clubs, Watford, Leicester, Charlton, Luton, and Bristol Rovers already have no further interest, which suggests that once again this division contains too many competent, workman-like sides lacking the quality to rise higher, but the support at the Valley, where the team were gathered yesterday, was rather premature to be calling for the head of Andy Nelson after Charlton had been beaten on aggregate by fourth division Peterborough. It must be admitted that there seems little

brave team, prepared to take knocks, as Brian Clough is not prepared to tolerate the faint-hearted.

In many respects, the most

fascinating of today's fixtures is the meeting between Brighton,

making their first ever appear-

ance in the first division, and

Arsenal, who at their best

are one of the most entertaining

and dynamic teams in the country.

Brighton were impressive last

season when gaining promotion

and their first task will be to

establish themselves among the

hierarchy and to avoid the fate

of so many, the quick return.

Mullery's men should achieve

this objective and might well

prove to be a force in the harde

st and most demanding

league in the world.

Another team to watch are the

splendidly managed WBA.

Although they have lost Cunningham to Europe, they have

purchased two exciting replace-

ments, Barnes and Owen from

Manchester City. The Mid-

landers certainly promise rather

more than City, under the

controversial Malcolm Allison.

Malcolm has virtually rebuilt his

team, which failed to play its

potential last winter, there

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FINANCIAL TIMES

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Saturday August 18 1978

Figures from the past

BY THE end of last week mild financial jitters about the UK economy began to be evident in London and in the international currency markets. Faced with the biggest monthly rise in retail prices ever recorded in a single month, with rumours of very bad trade figures on Monday, and with the Chancellor's blunt remarks about UK performance in the US, sterling, gilts and equities all fell. The figures, after all, are compatible with warnings that prospects for the UK are "almost frighteningly bad."

Modest rise

The one major fault in this picture is that neither of the figures mentioned above conveys any news. The retail price index reflects the consequences of a Budget which was welcomed as much by foreign as by home investors. Once allowance is made for this, and for the favourable effect of a sharp drop in seasonal food prices, there has been only a modest rise in the underlying rate of inflation. Retail prices, of course, are themselves something of ancient history as an economic indicator; they come at the end of a long pipeline from initial costs. There is still no clear reason to correct official inflation forecasts made in June so far as 1978 is concerned. For 1980, much depends on the outcome of the next wage round.

The trade figures again are a backward-looking indicator in two senses. First, they will start to unwind distortions already amended. Secondly, they represent orders completed and delivered; it is the trend of export and import orders which gives a clue to the future. There has been a forbidding turn for the worse in export confidence, as the CBI reported some time ago; but against that, the balance of payments will benefit from oil self-sufficiency (which implies net earnings, since North Sea oil commands a premium price) and could benefit sharply if consumer spending turns down, as many forecasters expect.

Market reactions which look to the past rather than to the future suggest that the legendary foreign investors have indeed been active enough to affect the balance of the market, as is confirmed by the latest money supply figures, which show large foreign deposits and stock purchases. Those investing outside their own country normally read the bold figures rather than the small print.

Confidence

A more realistic assessment of current trends depends on indicators which are not so obvious, or so easy to interpret. The retail figures and those for consumer spending, for example, confirm the very sharp boom in consumer spending up

to mid-July, but are less clear in assessing the subsequent release.

The apparently sharp fall in private sector borrowing shown in the July money supply figures at first sight lend weight to anecdotal reports of a sharp change in consumer confidence; but these figures are themselves distorted by increasing resort to lending outside the banking system, and by some accruals of VAT to commercial companies, who hand it on to the revenue in arrears. The trends of both consumer and credit demand will become clearer in later months; that is one reason for official warnings about the persistence of high interest rates for some time.

In any case the pressures to make any early reduction in rates have now eased. The new figure of Mr. Paul Volcker at the Fed in Washington has now made itself felt in further interest rate rises imposed to check domestic inflation despite the downturn in activity. The German authorities too are tightening credit to check what is by their standards an ominous rise in inflation. British rates no longer seem likely to attract troublesome inflows; the authorities can base their actions on domestic needs.

One new indicator for the home economy is the Government's index of real after-tax values for the average wage-earner. This now suggests that the sharp rise in real income resulting from excessive pay increases last winter has now been all but cancelled out by price rises, including the VAT increase. This offers further reason to think that the minimum is over, and with it the wage demand which has fuelled imports.

Grimmer truth

However, this index was not intended as a quick monthly guide to real disposable incomes for all but the richest and poorest, but as an effort to defuse the inflationary consequences of shifting the burden of tax from incomes to consumption. There can be little optimism on this count. In a world in which it is said that the Devil can quote scripture, union militants will certainly continue to base claims on the price index.

Indeed, it is a pity that the Government has joined the index propaganda war, for it is still lending some support to the mistaken notion that wages should be determined by what they can buy rather than on whether they are earned. The grimmer truth is that until our productivity is improved, real wages may not be sustainable—a truth that is being defended at present in the engineering industry and at Tarmac. It is in such battles above all that any immediate prospects will be settled.

THE tax and price index (TPI) aims to measure the impact on the average taxpayer of changes in both prices and direct taxes and hence—in the words of Mr. Nigel Lawson, the Financial Secretary to the Treasury—to show movements in total household costs.

The index is therefore broader than the monthly retail prices index, which shows changes in the level of prices paid for goods and services, including those caused by higher indirect taxes. But it does not go as far as a standard of living index like the quarterly series on real personal disposable incomes, which shows not only what is happening to prices and taxes but also changes in real incomes for other reasons.

The new index has a more limited function. It shows the increase in gross income (before tax) needed in order to maintain the same level of real net income after taking account of changes in both prices and tax rates and allowances. Alternatively, it can be described as an index formed by averaging together changes in taxes (including employees' and self-employed pensioners' national insurance contributions) with changes in the prices of goods and services.

Consequently, an average worker will now be able to work out the rise in his gross earnings needed in order to ensure that his real take-home pay is unchanged. A comparison of this with the actual change in the index of average earnings gives a broad guide to movements in the standard of living, while a comparison with the retail prices index shows what has been happening to the direct tax burden. Over the last 18 months the figures show both the rise in real earnings and the reduction in direct taxes.

The Government's index at present goes back only to January 1978, though earlier figures will be available shortly. The independent Institute of Fiscal Studies has produced a broadly similar index, inelegantly known as the Gross Earnings Deflator with a longer run of data.

This shows that over the long-term—between early 1974 and July 1978—the rise in gross earnings needed to maintain the same real purchasing power was much larger than the rise in retail prices—an increase of 142 per cent against 120 per cent. This was because of the rise in direct taxes, especially in the mid-1970s.

The new index is based on Inland Revenue calculations and will be published monthly by the Central Statistical Office on the same day as the retail prices index, which will continue to appear unchanged. The compilation of the index has caused all kinds of headaches in Whitehall; although the basic concept is straightforward the details are much more complicated.

The starting point is a sample survey of tax records—the annual Survey of Personal Incomes conducted by the Inland Revenue. The most recent date, based on roughly 20,000 tax returns, are for 1976-77 and these figures of personal income have been projected forward to January 1978 to form the base date for the calculation of the tax component of the index.

An estimate is then made of the annual rate of receipt of income at the turn of each

calendar year and the appropriate tax liability is then calculated on an average basis throughout the year. With knowledge of the tax structure and of the change in prices through the year, it is then possible to show the gross income which maintains real net spending power on the base date of January each year.

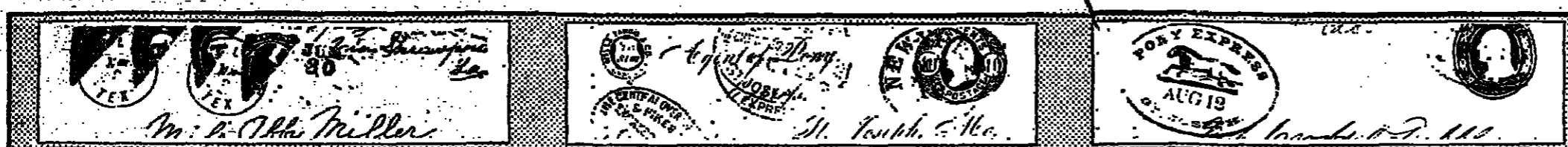
A key question is the coverage of the index. Since changes in tax have no effect on people who do not pay tax, only those paying income tax are included. Thus a large number of people receiving social security benefits are excluded; for non-taxpayers the retail prices index and the associated index for pensioners are the appropriate measures of the change needed to maintain the purchasing power of both net and gross incomes.

In addition, the highest income groups are excluded since income tax has a different impact on them than on most people. The retail prices index also takes no account of the expenditure patterns of top income earners. At current earnings levels

this keeps out those with gross pay of over £10,000 a year. The net effect of all this is to exclude about 7m at the bottom end and 1m at the top end out of a total of 28m tax units, defined as single people or married couples.

Even with the top and bottom ends excluded, there are naturally large income variations within the sample. But the statisticians reckon that the difference in the rate of change of the index is no more than 1 per cent between these groups. This is in line with the conclusions of a recent study which showed that different types of household experience roughly the same increase in retail sales. The index takes account only of ordinary taxable income and excludes tax-free benefits. In particular, child benefits are not included to achieve comparability child tax and family allowances operate from the beginning of the financial year. A partial exception is this year, since the Budget was much later than usual because of the election. Consequently, tax changes in June and July 1978 are assumed to operate from July rather than from April. The tax reliefs for April to June have been treated as capital repayments and have not influenced the level of the index. 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Antony Thorncroft describes the acquisition of one of the world's ten finest stamp collections



مكتبة البحرين

Why Gibbons took the \$10m plunge

THE SUDDEN acquisition by Stanley Gibbons International of the Marc Haas collection of early U.S. postal history for over \$10m has shattered the traditional August lull in the international stamp market. The Haas collection is reckoned to be one of the ten finest in the world and Gibbons' initiative in acquiring it outright, rather than offering a guarantee for an auction sale, is unprecedented at this level. The London-based Stanley Gibbons, the largest philatelic dealers in the world, has never before spent more than \$1.5m on buying a single collection.

Such a purchase would have been impossible without the financial resources of Letraset International which bought Stanley Gibbons in January for £1.9m. Indeed Letraset itself has been so stretched to provide the cash for the purchase that it is asking its shareholders for another £9m through a rights issue. Although some of its competitors regard the price paid as being on the high side Jerry Waters, director of Gibbons, is convinced that the chance of an outright acquisition was too good to be missed and he is confident that the investment will be more than recouped during the next two years when the collection will be disposed of through private sale and auction immediately after Tuesday's announcement. Stanley Gibbons was already answering queries from prospective buyers.

Marc Haas, a 71-year-old Wall Street financier, had assembled the collection over 30 years and was anxious to see it passed on to another generation of collectors in his life time. So the aim

is to disperse the 3,000 covers involved to genuine collectors rather than to investors or institutions. Stanley Gibbons has not yet valued the individual items and some are so rare that they will almost certainly be allowed to find their own price through auction. Among the covers that should fetch more than \$100,000 is a letter from George Washington to his commander besieging Boston; a strip of four 10 cent stamps from the first general U.S. Issue of 1847; and a letter from the Confederate general Robert E. Lee requesting reinforcements. There are also particularly good sections devoted to the Pony Express and the stamps of Hawaii, probably the finest remaining in private hands.

U.S. presence

For Gibbons the purchase of the Haas collection had two particular attractions: it helps confirm its position in the U.S. where previously its presence had not matched its general international importance, and it involves a sector of the stamp market—American postal history, which is experiencing a particular revival at the moment, with the prices of some classic 19th century stamps appreciating by more than 50 per cent a year.

Until recently, classic U.S. material was undervalued, especially considering the number of collectors in the country and the comparative rarity of early American stamps—for example, almost 70m Penny Blacks were printed in the UK in the year they were issued

whereas only 5m of the comparable first American stamp were printed in its four year existence. But in recent years prices of classic U.S. stamps have been moving ahead very rapidly, especially in the last season when fears about inflation and the state of the U.S. economy increased the attraction of stamps as an alternative investment.

For the past 50 years stamps, along with gold, have proved the most stable investment through economic and political crisis. While other works of art have suffered from changes in fashion and short lived price booms, classic stamps which have the advantage of being portable, international, and rare, have consistently ridden out the storms. Hence their current popularity in the U.S., a popularity which could be fuelled by a recent decision allowing U.S. pension funds to include stamps in their investment portfolios. Banks are also showing an interest.

The level of corporate investment is still small but it adds a powerful, if potentially erratic, new element to the market. Although classic U.S. stamps should continue to appreciate steadily there is already a feeling among some dealers that the more routine material, and 20th century stamps, have advanced too rapidly and that it is time now for a period of consolidation.

It is unlikely that Letraset will have to find the money for another purchase of this size for some time. Since it bought Stanley Gibbons it has encouraged a rapid rise in postal stocks, so that the company now has stocks valued at £14m as

against stocks worth £5.5m at the end of 1977. This is easily the biggest stockpile of stamps in the world. It's main competitor, the British owned Harmers, has stocks worth nearer \$5m on its premises. But while its rivals concentrate on auctions Stanley Gibbons spreads itself across the stamp world, from catalogues to auctions to private dealings. Gibbons has also done the most to encourage investment in stamps in the UK, a practice about which Harmers and the other major concern, London-based Robson Lowe, are more circumspect.

Last season Stanley Gibbons increased its turnover through auctions from £3m to £4.5m, but turnover from dealing was around twice as much. However, just as Sotheby's and Christie's dominate the art markets with their auctions, at the expense of the dealers, so stamp auctions seem set to assume the major role in the marketing of stamps.

Encouraged by the recent good results, the holders of major collections who in the past favoured cash on the table rather than the vagaries of the auction room are now more inclined to put their stamps under the hammer. Last season, for example, Stanley Gibbons made a record total for an auction of £747,430, with an unused Cape of Good Hope woodblock 4d vermilion, with an error, selling for £17,500, the top price at auction in 1978-79.

Perhaps conscious of the criticism of bringing too many investors into a world which has always prided itself on its collecting purity, Stanley Gibbons reached an agreement earlier this year with Towry Law, the

British investment consultants, to provide a stamp investment service using Gibbons' stocks and expertise. But, says Jerry Waters, it does not recommend individual commitments much in excess of £5,000 and it is confident that it can convert most investors into collectors.

All told, the investment element in the market is reckoned to be around 12-15 per cent of all purchases.

The very value of stamps today makes it inevitable that commercial interests will become involved. The most highly priced stamp in the world, the British Guyana 1856 one-cent black on magenta paper, is owned by an American syndicate which has watched it appreciate from £350,000 to £425,000 in the past year, according to Stanley Gibbons' catalogue valuation. An indication of the current strength of the market is that at recent auctions stamps have been fetching more than the catalogue price.

Constancy

This does not apply just to the handful of established rarities—a run down of a few Commonwealth issues, a particularly firm market at the moment, underlines the constant attraction of stamps. Within the last year a British Virgin Islands 1867-70 1s rose on carmine stamp, with an error, from £35,000 to £45,000, while a Canadian postmaster provisional 1851 3d block registered an extraordinary rise from £20,000 to £38,000, confirming not only the shortage of philatelic rarities but also the par-

ticular improvement in Canadian stamps in recent years.

The general consensus about the 1979-80 season, which starts next month, is that prices will continue to increase for classic stamps in good condition but that second division material is due for a slight setback. By the end of last season 20th century British commemorative issues were not meeting expectations, and while there are no doubts about the finest classic stamps, problems are envisaged for the later material. On the other hand, Empire and Commonwealth issues still look buoyant.

Some slowing down in the rate of appreciation is likely to be welcomed by the stamp market to keep in check the investing element, which attracted by Stanley Gibbons data on the rising values of classic stamps, is estimated to be growing by 10 per cent a year. Gibbons quotes, for example, the progress of 21 medium range items which have jumped from £2,228 in 1974 to £1,920 this year, a five-fold gain.

Individual stamps have performed even better—a Cape of Good Hope 1855 is bright yellow-green going from £130 in 1974 to £2,100 this year; a U.S. 1847 5-cent brown from £25 to £180; and a Great Britain Penny Black of 1840 from £160 to £1,500. Among the top classic stamps the transformation is just as remarkable. A used Mauritius 1847 2d Post Office was valued at £27,000 in 1974 and is now worth £10,000; a used Austrian 1851 (Kr) Newspaper stamp is up from £6,000 to £20,000. In the last year alone prices have risen by over 30 per cent.

To underpin such improvements stamps have a vast collectors market, unavailable to any other works of art. With over 50m collectors philately is the second largest hobby in the world, topped only by photography. In the UK alone there are probably 2m committed collectors who form a solid base, progressing by stages to the small group of men who hold the serious collections, usually concentrated on one particular country. So far the investing element has yet to unsell this vast army, especially as collecting at the higher price levels requires a great deal of knowledge and money.

Sometimes the attraction has an extremely practical cause—they can be comfortably carried across borders. But often their appeal and charm goes deeper. Very soon after the appearance of the first stamps in the mid-19th century people started to collect them. There seems to be something symbiotic between men and stamps, not unlike the traditional relationship between man and the only other commodity which rivals stamps perennial appeal, gold.

the international stamp world. It is a collection of postal history, an area which is attracting a great deal of attention because of the very scarcity of the top classic stamps. Collectors are having to find new subjects, such as proofs, specimens, locals, and carriers. Most cannot afford the most highly regarded classics even when they make a rare appearance on the market. Such scarcity has inflated the value of some second rate material, hence some signs of an easing off in price values. But not for the very best. Some stamps seem to have found the secret of perpetual appeal.

The acquisition of the Haas collection is unlikely to disturb the stamp market. It is an unusual occurrence. Indeed so big is the market in early American postal history that even prices in this sector will not be rudely disturbed. Stanley Gibbons will be cautious in releasing the material and it has the resources to hold on to certain items for many years, if needed. The Haas collection does, however, highlight a problem for

Weekend Brief

Planning controls

WITH FEW weeks to go before the Pope's visit to Ireland, which nothing else will serve to underline the fact that the Republic's population is 95 per cent Roman Catholic, the Irish solution to an Irish problem is turning into a fine old Irish mess.

Attempts by the Government to legalise the sale of contraceptives have run into trouble in that the 1,200-strong Irish Pharmaceutical Union has said it will not sell contraceptives if the unofficial Family Planning Clinics were also allowed to sell them.

The Health (Family Planning) Act of Charlie Haughey, the Minister of Health, which only squeaked through the Dail last month after a tortuous passage, looks unworkable.

The saga conveniently starts in 1973. Contraceptives and birth control other than the "natural" method have always been banned in Ireland. In 1973 a Mrs McGee received a ruling from the supreme court that it was unconstitutional to prevent her from importing contraceptives. Since then a number of Family Planning Clinics have sprung up, mostly they are in Dublin, but also in Cork, Galway, and Limerick. They are not legal but they are not banned either. They are widely used and although technically they cannot sell contraceptives, they accept contributions. Usually this is a standard £1.10 for a dozen condoms. Most contraceptives are presumed to be brought in from the north.

The strength of feeling about the issue should not be underestimated. A try at legalising the import of contraceptives by the previous coalition Government foundered when, among others, the then Prime Minister, Mr Liam Cosgrave, crossed the floor and voted with the Fianna Fail to defeat the Bill.

Back in power the Fianna Fail, through its ambitious Health Minister, Charlie Haughey, finally got a Bill through last month, after it had been in the Parliamentary mill for almost a year.

What it stipulates is that they are to be available, but only on doctors' prescriptions and only for bona fide family planning purposes. This, of course, would cut out any one who is not married for a start.

Predictably, the Act has managed to satisfy virtually no-one. The Minister of Agriculture, Mr Jim Gibbons could not see his way clear to vote for it, and almost lost his job as a result, although in the end Mr Jack Lynch decided to keep him on.

The senior Church hierarchy, the 28 or so Bishops, have been keeping a low-profile—presumably feeling that there is such a demand for contraception in the country that whatever they decide would make them unpopular. Various priests however have condemned the Bill as evil, atheistic and heretical, among other things.

In a debate in the Senate, one Senator cried out with great feeling: "You can amend the law but you cannot amend the Ten Commandments."

What will happen now is anybody's guess. If Haughey



Ireland's Minister of Health, Charlie Haughey, sponsor of an Act that has satisfied nobody.

gives way, it would force the closure of the clinics and alienate the thousands who use them. If he does not give way he virtually nullifies his own piece of legislation. When last questioned about the Act Mr Haughey's reaction amounted to a weary shrug. A look which suggested he had done the best he could. The Act can still be challenged in the Supreme Court.

Oriental add

Tell Shi Fengshou to think of a number and double it and he'll have the answer before you can reach for your abacus. Give him two eight-digit numbers to multiply and he will produce the answer in five seconds without taking his hands from his pockets.

Shi Fengshou is a 23-year-old mathematical whiz-kid who grew bored with conventional methods of calculation when he was 10. There must be a better way, he thought, and he found it by the unlikely process of putting the accepted systems into reverse. The national newspaper people's daily this week reported the publication of one million copies of a book in which Shi describes his methods of addition, subtraction, multiplication and division. The book was a sell-out, according to the newspaper.

Shi's book has been enrolled at the Chinese Science and Technology University as an exceptional student and has applied his theories of calculation to the heady disciplines of trigonometry and logarithms.

Shi Fengshou's text on back-to-front mathematics is certain to go into reprint after reprint. China has more than 200m young people at school and that means... well, Shi could figure it out.

Credit rating

High Street retailers such as Boots, Woolworths, Tesco, and even the Co-op, are currently almost falling over themselves in the rush to launch their new in-store credit cards on the unsuspecting shopper in time for the run-up to the crucial Christmas sales period.

It looks at the problem backwards and works from left to right, using 29 brief, memorised formulae which tell him

everything he needs to know about carry-overs and which eliminate the thousands who use them. His method is applicable to addition, subtraction, multiplication and division of number with up to 26 digits, a mouthful too big to chew for any but highly sophisticated electronic calculators.

In a recent contest against a pocket computer Shi mentally multiplied three sets of three sets of two eight-digit numbers in 15 seconds with no help other than a slight fluttering of the fingertips. The computer agreed with his answers after 30 laborious seconds.

But where consumers are becoming more agitated is over the degree of "noseyness" from the store about a prospective card holder's personal and financial background. The main culprit so far seems to be Marks and Spencer's which launched its credit facilities nearly a year ago. Apart from being different from all other retailers' credit facilities launched so far—in that M and S gives approved customers a special cheque book and cheque card rather than just the one piece of plastic used by other retailers—the application forms from Marks require the most detailed answers of virtually any credit card application forms.

Yet amidst all the euphoria generated by attempts to take the "waiting out of wanting," some shoppers are beginning to take a more critical look at the credit cards on offer. Surprisingly, this critical faculty does not extend to such pertinent issues as interest rates, since the OFT survey found that around half of credit card users did not know how much they were being charged for the facility provided.

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The young marvel has been addicted to mathematics since he learnt to count in his home province of Shensi. In 1966, as a 10-year-old in the second grade of primary school, he became irritated by the time spent doing his sums horizontally and vertically.

Consumed by the search for a short cut, he filed exercise books and scraps of paper with experimental calculations. When the paper ran out he would jot his numerical graffiti on walls, in his dustbins, on his shirtsleeves and, if the space became crowded, on his arms and legs. Five years later he had devised his 29 rules and drawn the attention of the Chinese academy of sciences.

Now he has been enrolled at the Chinese Science and Technology University as an exceptional student and has applied his theories of calculation to the heady disciplines of trigonometry and logarithms.

Shi Fengshou's text on back-to-front mathematics is certain to go into reprint after reprint. China has more than 200m young people at school and that means... well, Shi could figure it out.

It looks at the problem backwards and works from left to right, using 29 brief, memorised formulae which tell him

Contributors
Stewart Dalby
John Hoffman
David Churchill

MONDAY—Balance of payments current account and overseas trade figures (July). Confederation of British Industry Monthly Trends (July). New construction orders (June). Engineering workers' one-day strike on pay and hours. Industrial civil servants' joint unions meet to discuss possible industrial action. Post Office group executive of the Society of Civil and Public Servants to talk on pay proposals. Increases in inland postal charges—first class letters to 10p and second class to 8p. United Nations Conference on Science and Technology for Development

opens in Vienna. Mr. Norman Lamont, Parliamentary Under Secretary of State for Energy, visits Egypt for talks with President Sadat.

WEDNESDAY—Trades Union Congress general council meets, Congress House, London. Labour Party national executive meets, Manchester County Hall statement on action campaign in the North-West aimed at improving environment of Greater Manchester.

TUESDAY—August provisional figures for unemployment and unfilled vacancies. Further one-day strike by process workers at Pilkington Brothers in dispute

over pay. Mr. Robert Strauss, U.S. Envoy, visits Egypt for talks with President Sadat.

WEDNESDAY—Trades Union Congress general council meets, Congress House, London. Labour Party national executive meets, Manchester County Hall statement on action campaign in the North-West aimed at improving environment of Greater Manchester.

THURSDAY—Two-day talks on pay open at Vauxhall Motors.

FRIIDAY—Trade and Industry publication by the Department of Industry will include—turnover of the motor trades (second quarter), sales and orders in the engineering industries (May), and finished steel consumption and stock changes (second quarter provisional).

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Economic Diary

Important announcement to all shareholders of



Stenhouse Holdings Limited

Set out below is the text of a letter which has been posted to all shareholders.

"Dear Shareholder,

A joint announcement was made at close of business on Friday, 17th August by Stenhouse Holdings Limited ("Stenhouse") and The Continental Corporation ("Continental"), a New York based financial services company, that Continental intends to purchase up to 20 per cent of the ordinary shares of Stenhouse in the market.

THE PURCHASE WILL TAKE PLACE IN THE OPEN MARKET, COMMENCING WHEN THE STOCK EXCHANGE OPENS FOR BUSINESS ON MONDAY, 20TH AUGUST 1979.

Stenhouse is based in the United Kingdom and owns 53.8 per cent of the equity of Reed Stenhouse Companies Ltd, a Canadian listed company with world wide insurance broking interests. Since Reed Stenhouse has subsidiaries which are admitted at Lloyds, the approval of the Committee of Lloyds has been sought and obtained. The Panel on Take-Overs and Mergers has also been consulted.

In making the announcement in London, Mr Herbert Houghton, a director of Stenhouse commented, "We welcome this proposed investment by Continental and we believe that while insurance underwriting and insurance broking will always be divided there are specific areas of common interest where we can each benefit from the association without affecting our independent relationship with our clients. In particular we can help to develop our respective interest in provision of insurance

Companies and Markets

UK COMPANY NEWS

Coral down at midway but confident of year-end gain

TAXABLE profits of Coral Leisure Group fell in the first half in June 30, 1979. But the directors are confident that there will be a significant increase in the year-end surplus—the bulk of profits are now earned in the second half.

At midway pre-tax profits fell from £7.14m to £5.85m on sales ahead from £136m to £155m. The surplus was struck after interest charges up from £1.89m to £3.62m.

For the whole of last year the group recorded taxable profits of £15.54m and paid net dividends totalling 6.1p. The directors now say that they expect to earn more than 7.19p in 1979.

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

DIVIDENDS ANNOUNCED

	Current payment	Date	Corre-	Total
	spending for		last	year
	payment	div.	year	year
Alcan (UK)	int.	Oct. 10	3.3	9.9
Bridgewater Est.	4.5	Oct. 12	4.5	14.5
Ewart New Nthm.	1.5	Oct. 19	1.0	1.0
Gold Fields	155	Oct. 5	225	135
Hallam Sleigh	int.	Nil	—	—
Mercantile Inv.	0.72	Sept. 25	0.35	1.7
Pifco	3.05	Oct. 18	2.15	4

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Despite this, group turnover rose 14 per cent and this trend, says the directors, should be maintained in the remainder of the year. Profits from the casino side have improved significantly, compared to the previous first-half.

Commenting on the imbalance which emerged last year between the two halves of the year, the Board says this is exacerbated by the effect of inflation on divisions where escalating costs have to be offset against revenue, the major portion of which is received in the second half.

Hardwicke has raised \$22m to provide for its share of the development and to expand the company's catering activities.

Coral has subscribed \$5.5m to maintain its 20 per cent interest in Hardwicke, says the Coral Board.

See Lex

profits increase, the level of interest rates is having a greater effect than before.

The group's associated company, Hardwicke Companies Inc., and its partners, have permission from the New Jersey Gaming Control Commission to develop the Ritz Hotel-Casino complex in Atlantic City.

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Coral has subscribed \$5.5m to maintain its 20 per cent interest in Hardwicke, says the Coral Board.

Alcan (UK) falls at halfway

SALES of Alcan Aluminium (UK) amounted to £14.3m in the first half of 1979 against £13.6m previously but pre-tax profits were down from £5.1m to £3.6m.

The directors say that the expectation of lower levels of industrial activity in the UK over the rest of the year combined with rising costs, make it particularly difficult to forecast the future.

First half earnings per share are stated as 6.4p against 8.8p. The interim dividend is being maintained at 3.5p—last year's final was 6.5p when pre-tax profit was £10.5m.

On a current cost accounting basis, the first half showed a £4.7m (£1.2m) pre-tax loss.

£0.21m improvement by Pifco

FOR the year to April 30, 1979, Pifco, the electrical appliance manufacturer, reports pre-tax profits £20.700 ahead at £16.200.

At the interim stage, when the advance was from £47.300 to £50.100, the directors said they expected full year results would reflect some progress.

Yearly earnings per 20p share are up from 15p to 17.01p and the total dividend is raised from 3p to 4p with a final payment of 3.05p.

The depreciation charge was £3.000 (£4.000) and tax took £8.700 (£6.900). A prior year adjustment of £929.000 is deferred tax no longer required as a result of a change in accountancy policy.

• comment

With a near 19 per cent second half pre-tax improvement, Pifco has made rather more of the consumer spending spurt than in the first six months and profits for the year are ahead by almost 13 per cent. Turnover is not disclosed but, while the group apparently enjoyed a small improvement in sales volume although margins were slightly down, the order book which runs through to December is said to be reasonably up on the same period of 1978 and around 20 new products have been launched, including the first venture into the electronics field with a smoke detector developed in conjunction with a major U.S. electronics concern. The net total dividend is raised by a third where, at 98p for both classes of equity, the yield is 6

per cent. With cash balances apparently substantially higher than the total of £1.2m shown in the last accounts, the dividend has plenty of protection while a p/e of 5.6 on stated earnings is taking a very gloomy line through consumer spending projections.

Catalin up at interim stage

AFTER recovering well from the transport difficulties earlier in the year, interim results of Catalin show turnover up from £3.69m to £4.2m and pre-tax profits of £190,000 compared with £107,000.

A good half year was recorded at Catalin, but second half prospects are not so encouraging. Nevertheless, the Board expects the company to exceed last year's profit level.

The Wix Co. should have a profitable second half although it is unlikely all the first half losses will be recovered.

The group makes industrial resin and resin treated papers.

Alginate sees sharp fall

Current year profits of Alginate Industries are now expected to be significantly lower than the £1.75m reported for 1978. The group reached a peak

in 1978. Mr. W. R. Merton points out that in his statement in May he warned that it would be unrealistic to look for any improvement in the profit for the year. Since then there has been a further significant strengthening of sterling against other currencies, he says.

The directors and their financial advisers Robert Fleming and Co. say that they are firmly of the opinion that the offers from Merck and Co. are fair and reasonable and unanimously recommend acceptance.

The company claims that on July 3 Mr. Ling indicated that Ashpoint would declare a dividend to cover the short-fall in Belhaven's reserves. But the statement quotes Mr. Ling as saying he "merely said that in principle Ashpoint would be agreeable."

At a meeting on August 1, prior to the formal consideration of Belhaven's accounts, Ashpoint proposed certain conditions "which the Ashpoint vendors wished to be accepted before it would pay up any dividends."

The statement says that on August 3 the conditions, which included the deferral for a further eight years of tenth of the final tranche of the consideration for Ashpoint, were rejected by a majority of the board "which then went on to remove all executive functions from Mr. Ling."

Mr. Ling said after the statement was issued: "I am clearly unhappy about suing a company that I am a director of."

"Being in Bermuda I had no chance to discuss the problems with the Board. I should have been given an opportunity to explain."

After tax the half-year surplus is £7.000 against £45.000.

May & Hassell

Trading in the first quarter of the current year at May and Hassell, timber importer, had been very encouraging producing pre-tax profits of some £450,000. Mr. J. H. Atley, the chairman, told the annual meeting.

He saw no reason why this trend should not continue. Most of the group's loss makers had been put in order or disposed of.

Mr. Atley said: "I am clearly unhappy about suing a company that I am a director of."

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Results due next week

Next Wednesday sees the announcement of second quarter profits of Imperial Chemical Industries. As known, first quarter profits were adversely affected to the tune of about £20m by the lorry drivers strike and as late as May, well into the first half, the repercussions were still being felt. Only about one-half of the lost wages were recovered, so and we are not expecting any fireworks, although second quarter profits should be somewhat higher than the previous comparable period and significantly better than the preceding three months. The principal uncertainty for the second quarter is the level of exchange rate losses, which will inevitably be

substantially higher than the £9m debit for the first three months: about £4m for the nine months. Sales may have grown by about eight overseas but in sterling terms the figure will probably be negligible. The third quarter figures are due on Wednesday.

Although most analysts expect nine months' profits of £60 million to be up to around £55m (£48.8m), this figure is still not up to the £60.4m made at this stage in 1977. Airoc, the U.S. business, was down at half-time but the second quarter increase suggests some pending improvement. As nearly two-thirds of sales originate overseas, exchange rates play an important role in the results and the strength of sterling could have a significant impact on the nine months.

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Analysts are not expecting much of a change in pre-tax earnings from De Beers Consolidated Mines when interim results are announced on Tuesday. It has not been a particularly buoyant period for diamond sales, with world diamond sales volume down slightly and the price increase of last year still having repercussions. Earnings before taxes should hover slightly above last

year's R56.8m in the first half.

Sales at De Beers have risen by a mere 2 per cent and the pre-tax profits will probably increase by little more to around R60m.

The figures due from the House of Fraser next Thursday should reveal only modest growth in the first half, compared with last year. First quarter 1979 figures were not encouraging and it will take some second quarter recovery for the half year total to squeak past last year's £83m in pre-tax earnings. Sales in central London stores have been hit dull with the pre-VAT boom not proving as beneficial as anticipated. Analysts are projecting an increase to roughly £95m for the first half of 1979.

Several shareholder groups have complained over the past year that Mr. Raper appeared to have influence over Saint Piran although this was denied. The influence of Gasco, which is chaired by Mr. Raper, now appears to be strengthened.

No directors of Saint Piran was available for comment last night.



Mr. Nicholas Coral, chairman of Coral Leisure Group, confident of a year-end increase.

BIDS AND DEALS

Institutions save the day for Bestobell

BY ANDREW FISHER

A LAST-MINUTE change of mind by three institutions helped Bestobell win its fight to stay independent yesterday, with BTG increasing its offer of 220p per share or the alternative of 11 BTG shares for 15 of Bestobell's shares.

BTG ended up with 45.14 per cent of Bestobell's shares, at yesterday's 3.30pm closure time for the offer, of which 27.04 per cent represented acceptances.

Shares of Bestobell, the fluid engineering and insulation company initially stammered to 200p on the news, later recovering to close at 208p for a loss on the day of 15p. BTG's shares gained 2p.

Commenting on the failure of the bid, BTG's managing director, Mr. Owen Green, said the company would review its holding in Bestobell, which "is a company with a 10 per cent stake, backed by the company's efforts to stay independent."

Including late purchases, the

rubber and engineering group will be left with just over 15 per cent of Bestobell's equity. Its bid, increased to 208p, also valued the company and foretold a profit rise of 30 per cent for this year. BTG has cast doubt on its ability to achieve this.

The Takeovers Panel was also briefly involved when BTG complained about the way in which Bestobell worded its final minor defence letter, but it decided to take no action.

In a different direction, it was announced yesterday that BTG is planning to invest over £5m for a stake of 20-25 per cent in the overseas trading company of Blym, Greece, joint-venture.

Blym and its Greek partners are to take a 10 per cent stake in the company, which is to be increased to 25 per cent.

This marks the first important step of our entry into southeast Asia," said Mr. Green.

Nat. Carbonising to buy £3.8m stake in Weeks Petroleum

BY CHRISTINE MOIR

National Carbonising is to buy a 5.7 per cent stake costing £3.8m in Weeks Petroleum, a Bermuda-based oil exploration company recently listed on the Stock Exchange.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Dalgety, the international agricultural and food merchandising group, launched a £73.6m bid for Spillers, the second largest miller in Britain. The proposed offer of one Dalgety share for every six Spillers met with instant rejection. Dalgety sees the bid as a commonsense move with Spillers' interests complementary to its own and sees considerable advantages emanating from streamlining distribution and marketing and from the expansion of overseas markets.

Redman Beeman's offer for Wellman Engineering was lapsed following the announcement that holders of 41.6 per cent of the latter's shares had approved the £5.17m acquisition of the Industrial Heating Business Department of General Electric of the U.S. Redman revealed that it controlled about 36 per cent of the Wellman equity.

Hall Engineering intends to sell its mini steel mill to Manchester Steel, a subsidiary of the Norwegian Eikern-Spierverket group, for £11m, a price equal to its net asset value. Hall built the mill in 1974 to supply steel bars for its subsidiary, British Reinforced Concrete Engineering, but its capacity could not be absorbed and Hall found it difficult to sell spare output.

Thomas Tilling extended its spending in the U.S. this year to £79m by the purchase of Superior Iron Works and Supply Incorporated for \$80m (£21.5m), while Fisons agreed to acquire the seeds and engineering business of Agricultural Holdings, a private company, for a consideration of about £5m ordinary shares, worth some £11.25m.

Lead Industries, in which Insteel of France has a near 25 per cent stake, agreed to pay \$30m (£22.25m) cash for several metal operations of NL Industries of New York in a deal that will significantly increase the UK company's turnover in the U.S.A., while Les Services acquired Motor Rim and Wheel Service Incorporated for \$6.5m cash.

Company bid for	Value of bid per share**	Market price**	Price bid	Value of bid £m***	Final Acq'tee date
Prices in pence unless otherwise indicated.					
Cartlers	150*	143	134	19.4	Tesco
Ellis & McHardy	185*	180	67	2.2	Mackan (UK)
Films	182*	175	175	1.33	Charley Scars
Hawthorn Baker	165*	175	135	1.21	Duplo
Industries	135*	141	120	2.36	Hanson Tsl
Fyldesoldings	180*	170	116	3.45	Philips
Standard Royar	88*	85	50*	0.50	—
Sanderson Hunter	88*	85	78*	0.60	Brit. Arrow
Silhouette 'A'	96	88	45†	1.12	Pawson
Spillers	50	50	39‡	73.6	Dalgety

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. || Combined market capitalisation. || Date on which scheme is expected to become operative. ** Based on cash. || Unconditional.

Each offer is subject to acceptance by shareholders. The scheme is subject to approval by the relevant stock exchange.

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Company bid for	Value of bid per share**	Market price**	Price bid	Value of bid £m***	Final Acq'tee date
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Alginate Inds.	415*	405	418†	22.6	Merck
Allen (Edgar)††	687*	61	63	9.63	Aurora Holdings
Berwick Timpo	75*	80	68	1.25	Chriffrise, Japet & Associates
John Bright††	401*	39	43	4.29	Largs
Capstan Profile	126	131	148	9.18	Pentos

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WORLD STOCK MARKETS

Early small losses on Wall St.

INVESTMENT DOLLAR PREMIUM

\$2.60 to \$1-32^{1/2} (32^{1/2}%)Effective \$2.2180 12^{1/2}% (12^{1/2}%)

FURTHER SMALL losses were

recorded in fairly slow trading

on Wall Street yesterday, follow-

ing some profit-taking, although

several oil issues firmed.

By 1 p.m. the Dow Jones

Industrial Average was at

\$182.94, reducing

its rise on the week to 15.88,

while the NYSE All Common

Closing prices and market

reports were not available

for this edition.

CANADA—Markets continued

to move higher in active trading

yesterday morning, when the

Toronto Composite Index rose 5.0

to 161.13.

The Oil and Gas Index put on

23.7 to 238.3. Metals and

Minerals 1.4 to 1,373.8. Utilities

0.62 to 233.2. Papers 0.03 to

178.02 and Gold 4.6 to 1,804.2.

But Bank shot 1.62 to 323.52.

Home Oil "A" were marked up

\$1 to \$82 and Consumers Gas

\$1 to \$24. Consumers will offer

\$55 for each Home "A" and "B"

share or the equivalent in Con-

sumers Voting Convertible

Preferred.

Automotive Hardware "A" rose

\$1 to \$15 on higher earnings.

Federal Pioneer "A" slipped \$1

to \$15. Both in

active trading.

Continental Corporation eased

\$1 to \$24—it will buy a 20 per-

cent stake in Stenhouse Holdings, of London.

THE AMERICAN SE Market

Value Index rose 1.85 to 209.83

on a turnover of 2.55m. (\$7.1m.)

shares.

BROKERS—Mixed to mostly

lower in quiet trading.

UK, Dutch, French and U.S.

stocks all fell, but Canadians and

Germans little changed.

JOHANNESBURG—Gold

shares firmed in fairly active

trading.

Dresdner put on 25 cents to

\$3.60 following statement mine

life may be prolonged.

Mining Financials also firmed.

Coopers and Plumbagos eased.

Industries and Collieries

harder in fairly quiet trading.

Chemicals featured on

increased Foreign buying. Banks

and Financials also firmed.

Government sources said Presi-

den Carter would announce

decontrol of Heavy Oil in the

afternoon. Standard Oil of Calif.

added \$1. at \$51; Getty Oil \$1

at \$55, both in

to \$37 on lower results.

TOKYO—Slightly higher in

active trading. Volume 300m

shares.

Front-runners Oils and Cosls

lower on profit-taking after wide

fluctuations.

BRUSSELS—Mixed to mostly

lower in quiet trading.

UK, Dutch, French and U.S.

stocks all fell, but Canadians and

Germans little changed.

JOHANNESBURG—Gold

shares firmed in fairly active

trading.

Motors mixed, as were

Engineering.

Public Authority Loans steady.

Bundesbank sold nominal DM

3.7m. of stock in open market

operations.

Mark—Denominated Foreign

Loans eased.

PARIS—Generally easier in

thin trading.

Food shares weaker. Carrefour

of FFr 20 to 1,630 after first

profit figures.

Cars, Constructions, Stores,

Electricals and Steels eased.

Oils and Banks firm, as were

Investment Companies.

U.S. Oil, Copper and Dutch

issues weakened, Germans well

maintained. Canadians firm.

Golds steady.

AMSTERDAM—Mostly lower

in quiet trading.

Banks easier. Shipments mixed.

State Loans mixed.

Stocks

Aug. 16

Aug. 15

Aug. 14

Aug. 13

Aug. 12

Aug. 11

Aug. 10

Aug. 9

Aug. 8

Aug. 7

Aug. 6

Aug. 5

Aug. 4

Aug. 3

Aug. 2

Aug. 1

Year ago (approx)

Rises and Falls

Aug. 16 Aug. 15 Aug. 14 Aug. 13 Aug. 12 Aug. 11 Aug. 10 Aug. 9 Since Compt'n

High Low High Low High Low

1. Industri's 334 84 335.24 876.71 875.26 867.05 856.28 855.94 857.08 1051.70 41.22

2. Home Bldgs. 83.66 85.10 85.50 85.74 85.74 85.74 85.74 85.74 85.74 85.74 19.51

3. Transport. 262.86 271.77 265.56 268.11 284.49 262.22 271.77 265.78 273.83 12.25

4. Utilities... 105.00 108.86 108.86 106.45 102.29 102.29 102.29 102.29 102.29 102.29 10.52

5. Trading Vol. 47,380 46,250 41,010 41,950 36,740 34,860 —

6. Day's high 893.60 low 878.75

Aug. 10 Aug. 3 July 27 Year ago (approx)

Ind. div. yield % 5.64 5.73 5.76 5.26

STANDARD & POORS

Aug. 15 Aug. 14 Aug. 13 Aug. 12 Aug. 11 Aug. 10 Aug. 9 Since Compt'n

High Low High Low High Low

1. Industri's 117.30 118.89 118.91 117.75 116.71 116.89 116.84 116.84 116.84 116.84 5.52

2. Home Bldgs. 113.70 115.83 115.80 115.70 115.70 115.70 115.70 115.70 115.70 115.70 4.50

3. Composite 108.05 109.25 107.58 107.42 106.40 106.43 106.29 105.85 105.85 105.85 4.10

4. Trading Vol. 40,200 40,200 40,200 40,200 40,200 40,200 40,200 40,200 40,200 40,200

5. Day's high 107.63 low 107.53

Aug. 15 Aug. 8 Aug. 1 Since Div. Yield % 5.02 5.13 5.22 4.70

Ind. P/E Ratio 8.41 8.21 8.07 8.99

Lend Gov. Bond Yield 8.89 8.85 8.91 8.84

STANDARD & POORS

Aug. 15 Aug. 14 Aug. 13 Aug. 12 Aug. 11 Aug. 10 Aug. 9 Since Compt'n

High Low High Low High Low

1. Industri's 117.40 118.70 118.70 118.70 118.70 118.70 118.70 118.70 118.70 118.70 5.52

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Companies and Markets

Andresens Bank may merge with Christainia

By JAMES FORTH IN SYDNEY

TWO OF NORWAY'S leading commercial banks, Christiania Bank og Kreditkasse and Andresens Bank, are considering a merger in a deal which could be worth Nkr135m (\$27m).

Christiania is the third largest commercial bank in the country, and Andresens the fourth. Should they merge, the resulting bank would be Norway's second largest, with a share capital of Nkr1.45bn. Bergen Bank (capital Nkr400m) would move down to third place. The biggest commercial bank in Norway, Den Norske Creditbank (DNC), has a capital of Nkr520m.

Last week DNC purchased 74 per cent of Andresens equity — taking its shareholding up to around 84 per cent — for Nkr10m, suggesting that Andresens' total stock market value is of the order of Nkr135m. The shares changed hands under the provisions of Norway's bank democratisation law, which obliges the state to buy bank shares at a "fair" price if shareholders wish to sell.

Many Andresens shareholders took this option, following the bank's poor results last year. It was involved in write-offs totalling Nkr1.66m, mainly on its shipping engagements and its involvement with the troubled Norinvest finance company. No dividend was paid for 1978.

The DNC purchase of Andresens' shares revived rumours that DNC was considering a takeover of the smaller bank. Talks on a possible merger between them were held a couple of years ago, but came to nothing. Christiansen's management now seems to have decided to pre-empt a DNC takeover by making an offer. Like DNC, Christiania had a profitable year in 1978, and paid an unchanged 11 per cent dividend.

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Commodity Offer 36.8x1000
BID 35

Commodity & General Management Co Ltd
10-12 St George's Street
London, EC4V 0BP
Tel: 0824-25015

COMMODITIES/REVIEW OF THE WEEK

Producer buying boosts coffee

By OUR COMMODITIES STAFF

PRODUCER SUPPORT buying again the major influence in the coffee market where the November position closed 276 higher at \$1,802 a tonne following a 22.5% rise yesterday.

Serious Brazilian frost fears have almost disappeared now but a new crop set-back was reported in mid-week when local sources reported an outbreak of coffee rust disease in the state of Paraná.

Traders said the disease, coupled with last month's cold weather, may have trimmed another 700,000 bags (60 kilos each) of the 6.7m bags Parana produced per year.

Cocoa prices also rose with the December quotation on the London futures market gaining \$51 yesterday to end the week at \$59.51 higher at \$1,475.5 a tonne. Dealers said yesterday's advance

BHP to ask shareholders for A\$135m rights cash

By JAMES FORTH IN SYDNEY

AUSTRALIA'S largest industrial group and sole steelmaker, Broken Hill Proprietary plans to raise almost A\$135m (\$151.5m) through a rights issue.

The new funds are to be used to finance further development and investments, particularly in the petroleum, minerals and steel divisions, and for the general purposes of the group.

The issue will be a one-for-nine at A\$4.50 a share. The issue contains a generous bonus element with BHP selling at A\$9.44 in the market. The rights offering comes only a few months after BHP's one-for-five scrip issue. It will increase the number of shares in issue by 30m to 294m, giving a paid capital of A\$58.5m.

The directors said that they expected that the current annual dividend rate would be maintained on the increased

capital. BHP will also issue a further 300,000 shares to be allocated between the BHP wages retirement fund and the BHP staff superannuation fund.

BHP has expansion plans underway in all its divisions and is involved in costly oil exploration, particularly in the Bass Strait and on the Exmouth Plateau in Western Australia. The companies recently reported record profits of A\$189m for the year to May 31.

* * *

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Brambles expects to receive its first dividend from UK operations in the current year. The group result equalled 24.2 cents a share compared with 21.9 cents in 1977-78, and sales by 11 per cent from A\$220m to A\$245m.

The directors said that the year had been a difficult one for the company and many of its customers. The strike by truck owner-drivers across Australia last April compounded the intermittent industrial disruptions in public-owned transport and related services, resulting in a great loss of revenue and a severe imbalance in costs, particularly in freight forwarding.

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Companies and Markets

LONDON STOCK EXCHANGE

Inflation worries revive in markets lacking investment support and equity index loses Thursday's rise of 5.5

Account Dealing Dates
Option
*First Declar. - Last Account Dealings thons Dealings Aug. 20 July 30 Aug. 9 Aug. 10 Aug. 20 Aug. 13 Aug. 22 Aug. 24 Sep. 3 Aug. 28 Sep. 6 Sep. 7 Sep. 17 * " New time " dealings may take place from 9.30 am two business days earlier.

Investment buyers retired to the sidelines yesterday ahead of the weekend and the July trade figures, which are due on Monday. Stock markets, therefore, finished the first leg of the current trading Account in excellent shape. London's share prices were slightly cheaper at the outset and the losses were extended when Government stocks also opened. No market sentiment was helped at lower levels.

Neither investment incentive later by news of the extent of last month's jump in the retail prices index. Although broadly in line with many estimates, it still led to a revival of concern about the way the rate of inflation is increasing.

Many leading industrials gave back Thursday's gains, which were the result of a noticeable expansion in investment inquiry. The FT 30-share index closed at 4742, at which level it had lost the previous day's rise of 3.5 but retained a net gain of 4.2 on the week.

With the dollar initially resuming its higher US interest rates—more prime rates rose to 12 per cent yesterday and sterling a shade easier. Gilts edged securities experienced a change in mood. The shorts, which had started Thursday in

exciting fashion, slipped to show closing losses of 1/2 and the new £20-paid tap stock Exchequer 11½ per cent 1934 fell to a discount of 1/2 after having traded at a premium of 1 on Thursday.

Long-dated funds met with

light selling which was none too well received and quotations fell 1/4 in front of Monday's £600 call on Treasury 11½ per cent 1937. Interest revolved around this stock, the price of which fell 1/2 down at 15½ and many medium/longs eased a fraction more in trade after the official close.

Conditions were quieter in the investment currency market. Rates moved higher initially to 33½ per cent before softening late and closing at 32½ down 1/2 on the overnight premium. Yesterday's conversion factor was 0.8844 (0.8805).

Interest in Traded Options remained at a low ebb. Only 251 contracts were completed, compared with the previous day's 361, and more than a sixth of the total was done in Marks and Spencer January 120 shares.

Stenhouse suspended

The main point of interest in the insurance sector yesterday was the surprise 10.15 am suspension in dealings of Stenhouse, at a couple of pence below the overnight level of 88p pending an announcement; this came several hours later and stated that Continental Corporation of New York intends to acquire up to 20 per cent of Stenhouse's equity in the open market after dealings resume next Monday.

Elsewhere, Royals, at 32½p, lost just over half of the previous £20-paid tap stock Exchequer 11½ per cent 1934 fell to a discount of 1/2 after having traded at a premium of 1 on Thursday.

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Financial Times Saturday August 18 1979

INDUSTRIALS—Continued

1979	Low	Stock	Price	+/-	CW	YTD	PE
56	43	Hanover Corp.	105	-1	5.1	25.0	10.2
57	44	Harris & Sheldon	40	-1	2.2	7.5	6.6
58	52	Hawkins & Sons	54	-4.46	2.4	11.5	4.0
59	72	Hewitt Corp.	122	-1	2.4	2.4	2.4
60	73	Hewitt Corp.	122	-1	2.4	2.4	2.4
61	74	Hewitt Corp.	122	-1	2.4	2.4	2.4
62	75	Hewitt Corp.	122	-1	2.4	2.4	2.4
63	76	Hewitt Corp.	122	-1	2.4	2.4	2.4
64	77	Hewitt Corp.	122	-1	2.4	2.4	2.4
65	78	Hewitt Corp.	122	-1	2.4	2.4	2.4
66	79	Hewitt Corp.	122	-1	2.4	2.4	2.4
67	80	Hewitt Corp.	122	-1	2.4	2.4	2.4
68	81	Hewitt Corp.	122	-1	2.4	2.4	2.4
69	82	Hewitt Corp.	122	-1	2.4	2.4	2.4
70	83	Hewitt Corp.	122	-1	2.4	2.4	2.4
71	84	Hewitt Corp.	122	-1	2.4	2.4	2.4
72	85	Hewitt Corp.	122	-1	2.4	2.4	2.4
73	86	Hewitt Corp.	122	-1	2.4	2.4	2.4
74	87	Hewitt Corp.	122	-1	2.4	2.4	2.4
75	88	Hewitt Corp.	122	-1	2.4	2.4	2.4
76	89	Hewitt Corp.	122	-1	2.4	2.4	2.4
77	90	Hewitt Corp.	122	-1	2.4	2.4	2.4
78	91	Hewitt Corp.	122	-1	2.4	2.4	2.4
79	92	Hewitt Corp.	122	-1	2.4	2.4	2.4
80	93	Hewitt Corp.	122	-1	2.4	2.4	2.4
81	94	Hewitt Corp.	122	-1	2.4	2.4	2.4
82	95	Hewitt Corp.	122	-1	2.4	2.4	2.4
83	96	Hewitt Corp.	122	-1	2.4	2.4	2.4
84	97	Hewitt Corp.	122	-1	2.4	2.4	2.4
85	98	Hewitt Corp.	122	-1	2.4	2.4	2.4
86	99	Hewitt Corp.	122	-1	2.4	2.4	2.4
87	100	Hewitt Corp.	122	-1	2.4	2.4	2.4
88	101	Hewitt Corp.	122	-1	2.4	2.4	2.4
89	102	Hewitt Corp.	122	-1	2.4	2.4	2.4
90	103	Hewitt Corp.	122	-1	2.4	2.4	2.4
91	104	Hewitt Corp.	122	-1	2.4	2.4	2.4
92	105	Hewitt Corp.	122	-1	2.4	2.4	2.4
93	106	Hewitt Corp.	122	-1	2.4	2.4	2.4
94	107	Hewitt Corp.	122	-1	2.4	2.4	2.4
95	108	Hewitt Corp.	122	-1	2.4	2.4	2.4
96	109	Hewitt Corp.	122	-1	2.4	2.4	2.4
97	110	Hewitt Corp.	122	-1	2.4	2.4	2.4
98	111	Hewitt Corp.	122	-1	2.4	2.4	2.4
99	112	Hewitt Corp.	122	-1	2.4	2.4	2.4
100	113	Hewitt Corp.	122	-1	2.4	2.4	2.4
101	114	Hewitt Corp.	122	-1	2.4	2.4	2.4
102	115	Hewitt Corp.	122	-1	2.4	2.4	2.4
103	116	Hewitt Corp.	122	-1	2.4	2.4	2.4
104	117	Hewitt Corp.	122	-1	2.4	2.4	2.4
105	118	Hewitt Corp.	122	-1	2.4	2.4	2.4
106	119	Hewitt Corp.	122	-1	2.4	2.4	2.4
107	120	Hewitt Corp.	122	-1	2.4	2.4	2.4
108	121	Hewitt Corp.	122	-1	2.4	2.4	2.4
109	122	Hewitt Corp.	122	-1	2.4	2.4	2.4
110	123	Hewitt Corp.	122	-1	2.4	2.4	2.4
111	124	Hewitt Corp.	122	-1	2.4	2.4	2.4
112	125	Hewitt Corp.	122	-1	2.4	2.4	2.4
113	126	Hewitt Corp.	122	-1	2.4	2.4	2.4
114	127	Hewitt Corp.	122	-1	2.4	2.4	2.4
115	128	Hewitt Corp.	122	-1	2.4	2.4	2.4
116	129	Hewitt Corp.	122	-1	2.4	2.4	2.4
117	130	Hewitt Corp.	122	-1	2.4	2.4	2.4
118	131	Hewitt Corp.	122	-1	2.4	2.4	2.4
119	132	Hewitt Corp.	122	-1	2.4	2.4	2.4
120	133	Hewitt Corp.	122	-1	2.4	2.4	2.4
121	134	Hewitt Corp.	122	-1	2.4	2.4	2.4
122	135	Hewitt Corp.	122	-1	2.4	2.4	2.4
123	136	Hewitt Corp.	122	-1	2.4	2.4	2.4
124	137	Hewitt Corp.	122	-1	2.4	2.4	2.4
125	138	Hewitt Corp.	122	-1	2.4	2.4	2.4
126	139	Hewitt Corp.	122	-1	2.4	2.4	2.4
127	140	Hewitt Corp.	122	-1	2.4	2.4	2.4
128	141	Hewitt Corp.	122	-1	2.4	2.4	2.4
129	142	Hewitt Corp.	122	-1	2.4	2.4	2.4
130	143	Hewitt Corp.	122	-1	2.4	2.4	2.4
131	144	Hewitt Corp.	122	-1	2.4	2.4	2.4
132	145	Hewitt Corp.	122	-1	2.4	2.4	2.4
133	146	Hewitt Corp.	122	-1	2.4	2.4	2.4
134	147	Hewitt Corp.	122	-1	2.4	2.4	2.4
135	148	Hewitt Corp.	122	-1	2.4	2.4	2.4
136	149	Hewitt Corp.	122	-1	2.4	2.4	2.4
137	150	Hewitt Corp.	122	-1	2.4	2.4	2.4
138	151	Hewitt Corp.	122	-1	2.4	2.4	2.4
139	152	Hewitt Corp.	122	-1	2.4	2.4	2.4
140	153	Hewitt Corp.	122	-1	2.4	2.4	2.4
141	154	Hewitt Corp.	122	-1	2.4	2.4	2.4
142	155	Hewitt Corp.	122	-1	2.4	2.4	2.4
143	156	Hewitt Corp.	122	-1	2.4	2.4	2.4
144	157	Hewitt Corp.	122	-1	2.4	2.4	2.4
145	158	Hewitt Corp.	122	-1	2.4	2.4	2.4
146	159	Hewitt Corp.	122	-1	2.4	2.4	2.4
147	160	Hewitt Corp.	122	-1	2.4	2.4	2.4
148	161	Hewitt Corp.	122	-1	2.4	2.4	2.4
149	162	Hewitt Corp.	122	-1	2.4	2.4	2.4
150	163	Hewitt Corp.	122	-1	2.4	2.4	2.4
151	164	Hewitt Corp.	122	-1	2.4	2.4	2.4
152	165	Hewitt Corp.	122	-1	2.4	2.4	2.4
153	166	Hewitt Corp.	122	-1	2.4	2.4	2.4
154	167	Hewitt Corp.	122	-1	2.4	2.4	2.4
155	168	Hewitt Corp.	122	-1	2.4	2.4	2.4
156	169	Hewitt Corp.	122	-1	2.4	2.4	2.4
157	170	Hewitt Corp.	122	-1	2.4	2.4	2.4
158	171	Hewitt Corp.	122	-1	2.4	2.4	2.4
159	172	Hewitt Corp.	122	-1	2.4	2.4	2.4
160	173	Hewitt Corp.	122	-1	2.4	2.4	2.4
161	174	Hewitt Corp.	122	-1	2.4	2.4	2.4
162	175	Hewitt Corp.	122	-1	2.4	2.4	2.4
163	176	Hewitt Corp.	122	-1	2.4	2.4	2.4
164	177	Hewitt Corp.	122	-1	2.4	2.4	2.4
165	178	Hewitt Corp.	122	-1	2.4	2.4	2.4
166	179	Hewitt Corp.	122	-1	2.4	2.4	2.4
167	180	Hewitt Corp.	122	-1	2.4	2.4	2.4

MAN OF THE WEEK

Records are there to break

BY MICHAEL THOMPSON-NOEL

Even SPORTSWRITERS, that ingenious race of men, occasionally find themselves bankrupt of superlatives. They reach this impoverished frame of mind when confronted by a progression of events for which neither their talent nor their training has readied them—a richness of achievement that defies adequate description, if not belief.

Something like that occurred in Zurich on Wednesday, in the Letzigrund Stadium, where Sebastian Coe of Britain lowered the world record over 1,500 metres to three minutes, 32.1 seconds. The progression was complete: he was breaking his third world track record in 41 days, having already captured the 800 metres and mile records in Oslo last month to become not only the first British athlete, but the first man ever, to hold these records simultaneously.

The sportswriters were immediately in trouble. "Pheno-

Israel rejects U.S. plan for Palestine

BY DAVID LENNON IN TEL AVIV

THIS ISRAELI Government has told Mr. Robert Strauss, president Jimmy Carter's Middle East envoy, that it rejects Washington's proposal for a new UN Security Council resolution recognising Palestinian rights.

Mr. Strauss, who arrived in Israel yesterday amid rising tension between Washington and Jerusalem, said that he had discussed the possibility of the US producing its own Middle East resolution at the UN. This would, he had hoped, "meet with the approval of our friends in Israel."

He was referring to efforts at the UN to formulate a new Security Council resolution which would give more specific recognition of Palestinian rights than is embodied in Resolution 242. This has been the basis for Middle East peace efforts since.

But, Mr. Strauss said, in the search for Israeli approval for a U.S.-sponsored resolution "I have met with negative results." During his meetings with Mr.

Menahem Begin, Prime Minister, and the Foreign and Defence Ministers, "We carefully spelled out what we see as potential problems on the horizon in the UN, problems that could be productive or counter-productive."

After the two-hour meeting, Mr. Strauss said that agreement had been reached on some issues between the US and Israel, adding: "I do not want to go into the difficulties now." Israel believes that the US has adopted a pro-Arab policy in recent weeks. Specifically, Jerusalem points to US activities on the Palestinian resolution at the UN, recent meetings between American representatives and the Palestine Liberation Organisation and a new US arms sales to Jordan and Saudi Arabia.

The dramatic resignation of Mr. Andrew Young from his post as US Ambassador to the UN following his meeting with a PLO observer, did little to calm Israel's fears. However, the Young affair, which has created

a storm in the US, was not raised by Mr. Begin in yesterday's talks. He sees it as an internal US issue.

Mr. Strauss, who is chairman of the US delegation to the Palestinian autonomy talks, discussed the prospects for progress in these negotiations when he lunched with Dr. Yosef Burg his Israeli counterpart.

Mr. Strauss flew yesterday evening to Egypt where he meets President Anwar Sadat today for what the Egyptians are describing as "crucial talks." He will return to Israel on Sunday for further talks.

Meanwhile, Israel has, according to the newspaper Haaretz, taken a secret decision to expropriate up to 1,000 acres of privately-owned Arab land near Jerusalem to build Jewish housing.

Haaretz says that the ministerial committee on Jerusalem took the decision to close the gap in the belt of Jewish housing constructed around the occupied Arab part of the city since 1967.

April-June growth 3%

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THIS ECONOMY grew rapidly during the early summer, but this mainly represented recovery from the low levels of activity of the winter and the upturn may not be sustained.

The Central Statistical Office announced yesterday that total output, as measured by real Gross Domestic Product, rose by nearly 3 per cent in the April-June period compared with the previous three months.

The official view is that the increase mainly reflects a recovery from levels of output depressed by the abnormally severe weather and the industrial disputes of the winter.

This applies particularly to construction, manufacturing, transport and distribution. In addition, there may have been some recouping of lost output.

Nevertheless, the average level of output in the first half of this year was somewhat

activity in the distributive and motor trades.

Most leading forecasters—including those in Whitehall—have projected a flat level of output in the second half of the year. But there has been no firm evidence yet of any slowdown apart from a fall in retail sales last month after the June boom. But the Confederation of British Industry warned in its recent quarterly survey of a less encouraging outlook for orders and output and the turning-point in the cycle of activity could be imminent.

The trend is shown by the official index for Gross Domestic Product which stood at 110.8 (1975=100, seasonally adjusted) in the second quarter compared with 107.6 in the previous three months. This is based on output data which is usually regarded as the most reliable measure of short-term movements.

higher than the Treasury assumed in its Budget forecast. Output was 1 per cent more than in the previous half-year and was 2 per cent higher in the same period of 1978.

The growth since the end of last year is largely attributable to increased North Sea oil and gas production and to increased

ship cases for dispute pay.

The two unions, together with the Electrical and Plumbing Trades Union, have not included figures in their claims but are seeking packages worth an overall 25 per cent. The companies' offer to take only certain fringe benefits and craftsmen's differentials to arbitration has proved unacceptable to the unions.

The Independent Broad-

casting Authority is unlikely to allow the television companies to carry extra advertising when programmes are restored to make up for lost revenue. The IBA said yesterday that it was a firm policy that no extra advertising could be allowed when programmes were disrupted by an internal industrial dispute.

menal," wrote one. "Amazing," cried another, while one of the doyens of the trade opined that young Mr. Coe—22 years old and very fresh of face—"was a coming of age." Odysseus of stupendous running. He was putting himself into the books as the greatest middle-distance runner the world has ever seen."

The 1,500 metres in Zurich was the toughest of the runs. There was no pacemaker—more accurately, there was no one in the field who could survive with him. This meant that two laps out he was obliged to race alone, supported only by the crowd and the roaring of his coach and father, Peter Coe.

At the line, having opened up an ever-widening gap, he was clocked at 3 mins 32.08 secs; rounded up, as the rules require, his time was one-tenth of a second faster than Llbert Bay's record set in 1974.

Sebastian Coe's performances over the past 43 days have underlined a growing controversy in world athletics. Put simply: can the sport's insistence on amateurism survive much longer? There are those who maintain that amateurism in world athletics has already been compromised beyond repair by corruption and under-the-counter payments.

According to an estimate this week, the going rate for a mile match between Coe and Britain's other brilliant miller, Steve Ovett, would be \$150,000 if athletics were professionalised. In the past few months, athletes such as U.S. marathon man Frank Shorter have publicly demanded the rate for the job.

Apparently, none of this concerns Sebastian Coe. He has no wish to turn professional. This winter, aided by a grant from the Sports Aid Foundation, he will train in Spain in preparation for the Moscow Olympics. Later on next year he will embark on post-graduate work at Loughborough University, where he already holds a double honours degree.

He has said that his world records are merely "borrowed," that athletics will only occupy his attention for the next five years, after which he will seek a career.

It is this mixture of ascendancy on the track and modesty off it that so attracts Christopher Brasher, himself an Olympic gold medallist, said recently: "In all my life, in all my meetings with world record holders... I have never met a man like this, never been so refreshed by the sanity of a man who can laugh when a radio interviewer tells him that he is now 'An-All-Time-Great,' and I love him for what he has done to destroy the myth and legends of modern sport."

Sebastian Coe has made superlatives redundant

ITV companies will hold out

BY NICK GARNETT, LABOUR STAFF

THIS INDEPENDENT television companies appear to have decided that they will set the service shut down for up to five weeks more rather than make any significant improvement in their pay offer to production staff.

At a meeting yesterday at the Advisory, Conciliation and Arbitration Service in London, negotiators for the 15 companies again refused to take the central money element of the offer to arbitration. They are also standing firm in not allowing the separate issue of a cost of living index to be taken to arbitration.

A meeting of senior representatives of all the companies was briefed on the ACAS talks late yesterday. The officials apparently reaffirmed the intention

of making a very determined resistance to moving beyond the present offer of an overall 15 to 16 per cent. Programmes have not been transmitted for a week.

If the companies maintain this position over the next few weeks it could put members of the unions in dispute in a difficult position. The National Association of Theatrical, Television and Kine Employees, all of whose 7,000 ITV members are expected to be on strike by the beginning of next week, does not intend paying strike benefits and craftsman's differentials to arbitration has proved unacceptable to the unions.

The Independent Broad-

casting Authority is unlikely to allow the television companies to carry extra advertising when programmes are restored to make up for lost revenue. The IBA said yesterday that it was a firm policy that no extra advertising could be allowed when programmes were disrupted by an internal industrial dispute.

Dunbee issues new accounts

BY JOHN MAKINSON

TOY manufacturer Dunbee-Combex-Marx is sending shareholders a new set of 1978 accounts because of "certain errors of description and classification" in the original version. The errors were discovered during a review of audit working papers by the group's auditors, H. W. Fisher, after the original accounts had been posted.

As well as auditing the accounts, H. W. Fisher prepared them because Dunbee was without a finance director. The basis of the errors was a failure to consolidate subsidiary companies correctly. Neither the net worth nor the 1978 results are affected by the revision.

In the original version of the accounts, all Dunbee's bank loans and overdrafts were entered as secured, whereas in fact £15m of the £26m total was

unsecured. The discrepancy arose because the parent company had given a series of guarantees for borrowings by subsidiaries which, in the consolidated accounts, should not have amounted to security.

The second major change is in the distribution of current and non-current liabilities. The parent had a long-term loan facility on which a subsidiary drew to provide short-term finance. It was therefore entered as a current liability but should have formed part of the non-current figure when the accounts were consolidated.

The only other amendment concerns a £598,000 loan, which was earlier entered as a bank loan, but transpires to have been from an insurance company.

One of the two signatories to the original report and

the discrepancy was Mr. Basil Feldman, the joint managing director, who was unavailable for comment last night. The other was Dunbee's chairman Lord Westwood.

The board proposed in the report that the leading City accountants, Coopers and Lybrand, should be appointed joint auditors with H. W. Fisher, a much smaller firm.

Coopers and Lybrand played no part in discovering the errors, however.

Dunbee will post to shareholders revised accounts and an explanatory circular next week, though the annual general meeting will be held as planned on Monday.

The resolution to approve the accounts will be deferred to an extraordinary meeting on September 13, 17 days before the statutory deadline for approving accounts.

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